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THE CANADIAN ANNUAL REVIEW OF PUBLIC AFFAIRS

BY

J. CASTELL HOPKINS, F.S.S., F.R.G.S.

Vol. 18

1918

EIGHTEENTH YEAR OF ISSUE

ILLUSTRATED

153259
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TORONTO:
THE CANADIAN ANNUAL REVIEW, LIMITED
1919

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PREFACE

This 18th volume of *The Canadian Annual Review* completes my treatment of the World War in its association with Canadian history and with the National and Imperial developments of the past five years. I felt, when the roar of German guns commenced in August, 1914, that succeeding events in the struggle would be vital to Canada and Canadians for all time—that they would be fundamental to its future status in the Empire, on this Continent, and in the world of Nations. So vast and varied have been the movement and operation of forces since then, and so greatly have they affected the very life of our people that this record will, I trust, prove of permanent service to Canadians and to students everywhere who would know what Canada did in these years of conflict.

Now that one great issue is settled, others may arise of a different nature and the stability of the institutions of freedom again be at stake from other sources. But, so far as this yearly volume is concerned, more space will now be available for the treatment of purely Dominion problems and progress, for the study and review of Provincial and Municipal issues, for the record of Reconstruction work and of the political controversies which will inevitably develop.

J. CASTELL HOPKINS

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EDWARD WENTWORTH BEATTY, K.C.,
Appointed President of the Canadian Pacific Railway in 1918.

THE CANADIAN ANNUAL REVIEW OF PUBLIC AFFAIRS

LAST STAGES OF THE WORLD WAR

Environment of the Conflict in 1918; Conditions of the Final Struggle.

During the greater part of 1918 the storm of war continued to rage throughout the world. The hopes of humanity seemed far from realization and the trials and sufferings of millions reached their uttermost limit. Germany attained the apparent heights of her power and then tasted the deepest dregs of defeat and disaster; Russia reached the depths of national suffering and degradation; France realized the extremes of weakened man-power and depleted financial resources and climbed also the heights of military glory; Britain attained the bitterest point of tension in Submarine war and strain in Labour matters while reaching the pinnacle of victory in Palestine and Mesopotamia and on the Western front; the United States obtained a position of *prestige* natural to its vast resources in men and money.

Russia, at the beginning of 1918 lay helpless, a chaotic mass of incoherent ignorance, at the feet of the Bolsheviki and their German masters; Italy had the Austrian enemy within her gates and the far more dangerous Pacifists and pro-Germans preaching peace when there was no peace and helping the enemy by the indirect advocacy of surrender; France had a great Prime Minister, but it also had many politicians of the Caillaux, Malvy and Bolo type and a steady drain upon its industrial life-blood through the German occupation of the North; Britain had an Election in the offing and had to deal with the loud-mouthed treason of certain leaders who called themselves Labour men but who, in reality, were excresences upon the great tree-trunk of honest and loyal workers; the United States had fallen down lamentably for a time in its Aeroplane hopes and promises and in its earlier efforts at shipment of men for the Front, though showing splendid spirit and giving much help in a financial sense; Roumania and the Balkans, Austria and many millions of Slavs, with a great part of Russia, lay helpless at the feet of the German

autocrat; everywhere amongst the Allies there were evidences of strain and War weariness.

On the Western front conditions did not encourage optimism. In the Autumn of 1917 the Germans had an estimated 160 Divisions between the Alps and the North Sea—each Brigade including 3 regiments of Infantry instead of the 4 regiments of earlier in the war; with, also, Cavalry, Artillery and other auxiliary services of a miniature army. At the beginning of 1918 there were about 190 Divisions and back of these the still unknown potentiality of the Eastern front, with its million of men who might be available for a new aggressive in the West and the help also, of a released portion of the 2,000,000 Austrian prisoners in Russian hands. Hilaire Belloc, a capable correspondent, rather under-estimated the early 1918 German figures for the Western front at 1,575,000 bayonets—the branch which counted chiefly in military language—with about 4,000 field guns and 21,000 cannon altogether. In the early months of the year the 190 Divisions increased to 210; the total fighting men of all ranks rose to 3,000,000 with, perhaps, 1,000,000 in reserve. The probable total of bayonets for the Allies at the first of the year were 1,200,000 from the British Empire, 1,250,000 from France, 300,000 Belgians and Portuguese with an unknown reserve to which, as the months passed, American troops were steadily added. Artillery was also available to the Germans from the Russian borders; if Italy should collapse after its signal defeat and invasion Austrian armies might, and did to some extent, appear on the Western front.

The majority in fighting strength had thus passed early in 1918 from the British Allies to the Germans. At this stage and before the great German offensive the British armies held 121 miles ranging from the Channel to La Fêre; the Portuguese had a short section not far from Ypres and the Belgians 20 miles north of that place; the French held 327 miles running from La Fêre to the Swiss frontier. Germany was, to all intents and purposes, master of most of Central Europe and most of the Balkans, Turkey and Asia Minor up to the very point of danger to British power in Egypt and India. Mittel-Europa was for the moment a fact and the Kaiser a greater sovereign in extent of controlled territory than was Napoleon in his palmiest days when he could boast of having occupied Madrid, Berlin, Rome, Vienna, and Moscow. Pan-Germanism seemed to be triumphant, militarism dominant. In Russia revolutionary autocracy of the cruelest, most unscrupulous character sat at the feet of military autocracy. Allied action was hampered in that country by the United States aversion to making full use of Japanese offers and the opportunity thus available for free, quick and effective intervention in behalf of law, order and the Allied cause. Popular feeling in the Republic assumed the certainty of Japanese aggressive ambitions and secret hostility to the United States as a condition of diplomacy; politicians and correspondents such as F. H. Simonds supported this view; Japan's good faith in its Russian

proffers of co-operation were openly doubted and its policy flouted.

Germany at this time was hopeful of final victory; its warlords expressed more and more optimism as the year passed on to its climax of death and destruction and the distant rainbow of Peace. Through American delays and the collapse of Russia, because of the influence of German propaganda and Pacifist teachings, through Submarine successes and political divisions, the Allies were in a most discouraging position in the first months of the year. Their huge bulk in populations of divergent types, a diplomacy sometimes matching open and honest democratic action against the secrecy and unscrupulous policies of autocratic enemies, enhanced disadvantages which a divided command further accentuated. On the other hand there was the indomitable spirit of the French, the revived courage and stamina of the Italians which had won such glory in previous years, the world-wide British feeling which never included final defeat as amongst possibilities. There was the British control of the seas and its far-flung battle line from Palestine and Mesopotamia to East Africa, the plains of Picardy to the Italian front, where there always was some success or victory to stand against the darker sides of the situation.

Canada typified the optimism of the Allies. No amount of natural depression, of heavy casualty lists, of gloomy reports from the Front, of clever and constant German propaganda, of very real German successes, of divided local opinion as to the best way of meeting a crisis, ever produced the thought that defeat could eventually result. Britain still held the surface of the Seas, still carried troops and food and supplies from and to the four corners of the earth; she struggled for and steadily developed and finally held the mastery of the air, slowly and painfully but surely subdued the Submarine menace, checked the Aeroplane onslaughts upon British soil. The pivotal points of victory in this war—Paris, Calais, London—had not been captured by the enemy and no foot of British soil was in his possession while the much disputed Eastern fronts quite failed to realize the hopes of food and power which filled Teuton minds in the early months of the year. There was also much hopefulness as to the cramping effect of the British blockade upon Germany's war supplies and food requirements—despite the fact of some food reaching it from distracted Russia and abundant oils from Galicia, Roumania and Baku.

The mass of the world's opinion and support—divergent, confused, misdirected, lacking leadership as it sometimes was—stood behind the Allied soldiers who possessed that superb *morale* which always seems to spell ultimate success. Its reverse side was illustrated by General Denikine, a loyal and able Russian commander, who thus described a Russian collapse in 1917: "Never did I have the opportunity to fight with such a superiority in bayonets and material; never was there a more promising outlook.

On nineteen versts of the Front I had 184 batteries against 29 of the enemy; 900 guns against 300. The battalions assigned to the attack were 138 against 17. And yet everything was hurled into the dust because the state of the men's souls was beyond description; they did not want to fight. There was nothing anywhere but cowardice and disorder." The British Empire troops, the French heroes of Verdun and countless other conflicts, the Americans in a later day, believed that the greatest military machine in history was going to be beaten, no matter how prolonged the struggle, or doubtful the issue at times, and this feeling made that result possible. Despite, also, the great regions controlled at this juncture by Germany the Allies held the German colonies and much of Palestine and Mesopotamia; they had closed all German and Austrian ports, cut all ocean communication for the enemy, deprived Germany of raw material absolutely vital to its commerce and industries and of imports from centres outside Europe or from the Allied Powers to a total of 63% of its total pre-war trade; despite its increased territorial power it remained a problem as to when or how the Teutons could get such essentials as copra, coffee, cocoa, rubber, silk, wool, raw cotton, corn, and fats.

The first two or three months of 1918 was a period of suspense, expectancy, and then of certainty as to a great German smash toward Paris, or the Coast, or both; there was uncertainty as to the real strength of the German forces but the assurance that they were large, compact and growing; much doubt prevailed as to economic and food conditions within Germany and Austria but certainty as to shortages and food and price difficulties amongst the Allied nations; there was acute question amongst experts and national Allied leaders as to the degree of superiority in manpower possessed by the Germans and strenuous appeals were made in Britain, Canada, Australia, and elsewhere for more and still more men; unavoidable depression existed in many quarters throughout the world as a result of continuous financial, commercial, and transportation strain upon business as well as war interests; unbalanced men were everywhere seeking an opening for internecine strife and anarchy—Bolsheviki, Sinn Feiners, Hindu agitators, etc. The following table* shows the countries at war when the struggle entered its last gigantic phase, with, also, particulars of those who only broke off relations with the Central Powers:

DECLARATIONS OF WAR.

Austria v. Serbia	July	28, 1914
Germany v. Russia	August	1, 1914
France v. Germany	August	3, 1914
Germany v. France	August	3, 1914
Germany v. Belgium	August	4, 1914
Great Britain v. Germany	August	4, 1914
Austria v. Russia	August	6, 1914
Serbia v. Germany	August	6, 1914
Austria v. Montenegro	August	9, 1914
France v. Austria	August	12, 1914
Great Britain v. Austria	August	13, 1914

*Note.—U. S. Official Bulletin, November 7, 1918.

Japan v. Germany	August	23, 1914
Austria v. Japan	August	27, 1914
Austria v. Belgium	August	28, 1914
Great Britain v. Turkey	November	5, 1914
Turkey (holy war) v. Allies	November	11, 1914
Portugal v. Germany	November	23, 1914
Italy v. Austria	May	24, 1915
Italy v. Turkey	August	21, 1915
Bulgaria v. Serbia	October	14, 1915
Great Britain v. Bulgaria	October	15, 1915
France v. Bulgaria	October	16, 1915
Italy v. Bulgaria	October	19, 1915
Russia v. Bulgaria	October	19, 1915
Germany v. Portugal	March	9, 1916
Roumania v. Austria	August	27, 1916
Germany v. Roumania	August	28, 1916
Italy v. Germany	August	28, 1916
Turkey v. Roumania	August	29, 1916
Bulgaria v. Roumania	September	1, 1916
Greece (Provisional Government) v. Germany	November	23, 1916
United States v. Germany	April	6, 1917
Cuba v. Germany	April	7, 1917
Panama v. Germany	April	7, 1917
Greece (Government of Alexander) v. Bulgaria	July	2, 1917
Greece (Government of Alexander) v. Germany	July	2, 1917
Siam v. Germany	July	22, 1917
Siam v. Austria	July	22, 1917
Liberia v. Germany	August	4, 1917
China v. Austria	August	14, 1917
China v. Germany	August	14, 1917
Brazil v. Germany	October	14, 1917
United States v. Austria	December	7, 1917
Panama v. Austria	December	10, 1917
Cuba v. Austria	December	16, 1917
Guatemala v. Germany	April	21, 1918
Nicaragua v. Austria	May	6, 1918
Nicaragua v. Germany	May	6, 1918
Haiti v. Germany	July	12, 1918
Honduras v. Germany	July	19, 1918

Severances of Diplomatic Relations.

Austria v. Portugal	March	15, 1916
Austria v. Serbia	July	26, 1914
Austria v. United States	April	8, 1917
Belgium v. Turkey	October	30, 1914
Bolivia v. Germany	April	14, 1917
Brazil v. Germany	April	11, 1917
China v. Germany	March	14, 1917
Ecuador v. Germany	December	7, 1917
France v. Austria	August	11, 1914
France v. Turkey	October	30, 1914
Germany v. Italy	May	23, 1915
Great Britain v. Turkey	October	30, 1914
Greece v. Austria	July	2, 1917
Greece v. Turkey	July	2, 1917
Guatemala v. Germany	April	27, 1917
Haiti v. Germany	June	16, 1917
Honduras v. Germany	May	17, 1917
Japan v. Austria	August	25, 1914
Liberia v. Germany	May	8, 1917
Nicaragua v. Germany	May	19, 1917

Peru v. Germany	October	5, 1917
Roumania v. Bulgaria	August	30, 1916
Russia v. Bulgaria	October	5, 1915
Russia v. Roumania	January	28, 1918
Russia v. Turkey	October	30, 1914
Turkey v. United States	April	20, 1917
United States v. Germany	February	3, 1917
Uruguay v. Germany	October	7, 1917

Russia was by this time eliminated as a combatant though a close analysis would have placed her with the Teutons—and Roumania as a helpless adjunct. Technically, however, these two countries became neutral after the Treaty of Brest-Litovsk, with pro-German Finland, Denmark and its Colonies, Holland and its Colonies, Norway, Spain and its Colonies, Sweden, Switzerland and the tiny States of Andorra, Luxembourg and Monaco—a total population of 257,855,000. Most of these so-called neutral countries, so far as they touched Germany by land, were very much in the hands of the Teuton—his influence being only limited by the British Naval power of cutting off their trade and closing their ports to the world. The financial resources of the contending Powers were still very great though Russia's vast natural wealth was, for the moment, unavailable to either circle of nations. The following table of National Debts shows the position prior to war and then early in 1918:

Allied Powers.	Date.	Amount.	Date.	Amount.
Great Britain	Aug. 1, 1914	$3,458,000,000	Feb. 16, 1918	$27,636,000,000
Australia	June 30, 1914	93,000,000	Mar. 1918	942,000,000
Canada	Mar. 31, 1914	336,000,000	Feb. 28, 1918	1,011,000,000
New Zealand	Mar. 31, 1914	446,000,000	Mar. 31, 1917	611,000,000
Union of South Africa	Mar. 31, 1914	579,000,000	Mar. 31, 1916	734,000,000
France	July 31, 1914	6,598,000,000	Dec. 31, 1917	22,227,000,000
Italy	June 30, 1914	2,792,000,000	Dec. 31, 1917	6,676,000,000
Russia	Jan. 1, 1914	5,092,000,000	Sept. 1, 1917	25,383,000,000
United States	Mar. 31, 1917	1,208,000,000	Jan. 31, 1918	7,758,000,000
Total		20,602,000,000		92,978,000,000
Central Powers.				
Germany	Oct. 1, 1913	1,165,000,000	Dec. —, 1917	*25,408,000,000
Austria	July 1, 1914	2,640,000,000	Dec. —, 1917	*13,314,000,000
Hungary	July 1, 1913	1,345,000,000	Dec. —, 1917	*5,704,000,000
Total		$5,150,000,000		$44,426,000,000
Grand Total		25,752,000,000		137,404,000,000

As to monetary resources early in 1918 the gold and silver holdings of France, Great Britain, Japan, Italy and United States totalled $3,119,064,000, and those of Austria-Hungary and Germany, nominally, $675,633,000; Russia had possessed $863,000,000 but in whose hands or with what degree of security it was now held appeared extremely doubtful; of note circulation, or paper money, France, Great Britain, Japan, Italy and the United States had $10,000,000,000, the two Teuton Powers and Russia had very large and unstated sums which increased during the year by leaps and

*Note.—Partial estimates. All other statistics official. U. S. Federal Reserve *Bulletin*, April 1, 1918.

bounds. As to annual gold production the British Empire stood (in 1917) for $280,695,150, while the United States had a total of $86,720,500 and the other Allies and neutral or Teuton Powers only negligible quantities. According to statistics compiled by Crammond, Helfferich, Leroy-Beaulieu and other authorities the annual National Income in normal times of the British Empire was $17,000,000,000, of the United States $38,000,000,000, of France $7,300,000,000, of Italy $4,000,000,000—a total of $66,300,000,000 against a German-Austrian total of $16,000,000,000. The War expenditure of some of these Powers was, early in 1918 approaching equality with the total national incomes. For the British Empire, United States, France and Italy it totalled $30,000,000,000, for the two German Powers it was $14,300,000,000. All such figures were, of course, approximate but as nearly correct as the united brains of the best statisticians could make them.

The total cost of the War during its four years to August 4, 1918, or up to the Armistice period, was variously estimated. R. E. Whittlesey, Statistician of the Guaranty Trust Company of New York—one of the greatest financial institutions of the United States—in a Survey issued during August, referred to the preponderance of British and Allied wealth over that of the German Allies but pointed out that much of the former was unavailable and locked up by local conditions, affected by difficulties of transportation in all parts of the world, hampered by divergent interests. He estimated that though the five main Allied nations (including Russia, and excluding the United States) had before the War $406,000,000,000 of National wealth as against $105,000,000,000 of the Central Powers yet in effectiveness for war purposes on August 4, 1914, the latter outweighed the former. This point was probably stretched too far as the wealth of Britain, alone, at the beginning of the struggle stabilized the entire financial fabric of the world and in ensuing years supported the whole framework of Allied operations. He claimed that the seven leading Belligerants had expended in the four years $134,000,000,000, incurred an interest charge of $6,500,000,000 annually, destroyed a territorial war zone of 174,000 square miles and lost $1,650,000,000 worth of shipping. Other estimates of devastated territory and the losses involved up to the end of the War were as follows: France $4,000,000,000, Belgium $8,000,000,000, Russia $5,000,000,000, Serbia $3,000,000,000, Roumania $3,000,000,000, Italy $2,000,000,000, or a total of $25,000,000,000 with a probable economic loss of $25,000,000,000 more. Swiss Bank experts estimated, in October, 1918, the cost of all war operations during the four years as being $180,000,000,000; United States official statisticians put it at about $200,000,000,000 up to the end. Hon. N. D. Baker, U. S. Secretary of War, estimated, after the struggle was over, that its cost was $197,000,000,000.*

The following summary of the war loans of belligerant nations

*Note.—Commercial Club, San Francisco, March 18, 1919.

was officially published with full details in the *U. S. Bulletin* of Dec. 2, 1918 and, though not at all complete, was indicative of this branch of war liabilities:

Great Britain	$13,483,399,000	Russia	6,175,000,000
Canada	762,226,340	Italy	2,545,000,000
Australia	673,000,000	Germany	20,814,000,000
New Zealand	97,330,000	Austria	5,914,000,000
India	171,000,000	Hungary	2,246,000,000
United States	10,220,990,560		
France	6,808,300,000	Total	$69,910,245,900

France and its War Situation. The condition of France during the last year of war was one of strained endurance, of patient confidence as to final results, of menacing suspense, in its first months, as to how and where the blow would strike before relief finally came. Its devastated area at the close of the War covered 6,000 square miles or only 2 per cent. of the national area but that region and what had been re-captured included the one-time greatest industrial section of France with two-thirds of its wool, linen and other industries involved and $400,000,000 worth of spindles and other machinery destroyed or carried away; with vital injury inflicted over a wide agricultural region which had produced $400,000,000 worth of crops yearly; with 250,000 buildihgs absolutely wiped out and as many more badly damaged. Official figures of war losses as finally placed before the French Chamber * gave a total of $23,960,000,000 covering every form of war damage. The cost of the War to France in expenses and expenditures was put at $23,500,000,000 with, also, $8,000,000,000 as an approximate figure for Pensions. The total of all casualties was 4,385,300 of which 1,385,300 were killed in action or given up as lost and about 3,000,000 were wounded, of whom 700,000 were crippled; many of the 445,000 war prisoners returning were also unfit for future work. Three-fourths of the wounded recovered entirely.

Meanwhile Georges Clemenceau had proved himself a great War-leader, a man of destiny for his people. He had taken hold of affairs late in 1917 at a most discouraging juncture, he grasped the real, the unflinching spirit of France, he hunted out traitors and handled intrigue or hidden treason without gloves, he cleared the atmosphere and carried France into even higher altitudes of self-sacrifice, he backed up Marshal Pétain and enabled him, almost single-handed, to re-organize an Army whose loyalty Caillaux, Malvy and others had been steadily undermining, he gave that marvellously gallant body of men a chance to revive their spirits and illustrate once more the unconquerable patriotism of the French *poilus*. When the War was won he had two great difficulties to face—one was the need for a complete victory which President Wilson's policy prevented in the Armistice of Nov. 11th; the other was the guarding of French interests, in the succeeding

*Note.—Drawn up on behalf of Budget Committee by M. Louis Dubois, Feb. 27, 1919.

international and Allied discussions. As to the former he was explicit—in the Senate on Sept. 17th:

> I have heard it said that peace cannot be obtained by a military decision. That was not what the German said when he let loose war and all its horrors on a peaceful Europe. That is not what he said only yesterday, when his leaders and spokesmen shared out peoples among themselves like cattle in chains, announcing for us, and carrying into effect in Russia, dismemberments which would reduce the world to impotence under a law of iron. Military decision! Germany willed it and has obliged us to pursue it. Our dead have given their blood in token of our acceptance of this the greatest challenge to the laws of civilized man. Let it be then as Germany has willed and as Germany has done.

Friendship with Great Britain was a keynote of his policy as it was of French popular sentiment. As President Poincaré put it in addressing King George at a banquet—during His Majesty's visit to Paris (Nov. 27)—so all France felt at the close of the War: "Sire! The heart of France is incapable of forgetting. It will always remember the great service of England to the common cause. The pre-war friendship has been changed on the battlefields into an active alliance which is about to find in the forthcoming negotiations a new utility, and the beneficent effects of which will not disappear with the last smoke of battle. Together we have suffered, together we have fought, together we have conquered. We are united forever." While, however, much turned on British friendship so, also, France hoped for much from the United States and at this time, M. André Tardieu made public at Washington an appeal for American aid in French reconstruction —for contributions of labour by American troops now on her soil; for credits to the extent of 50 per cent. of her reconstruction purchases in the United States; for raw materials, railway rolling stock and agricultural and industrial tools; for diversion of part of the U. S. Emergency fleet to the uses of French commerce. He dealt, also, with the destruction in Northern France of homes, plants, machinery, trees, mines.

Above and beyond all these natural losses, however, were the destruction or spoilation of famous towns and cities, shrines and castles, libraries of priceless value, buildings of world reputation, sculptures and pictures of irreplaceable antiquity and beauty. The Cathedrals of Rheims and Chartres, of Arras and Beauvais, the Church of St. Rémy at Rheims were cases in point; the sacking of Douai, where it seemed as if all the madmen of a nation had loosed their wildest fury in an orgy of destruction, was an illustration of the condition of many evacuated towns. The mal-treatment of women continued even up to the days of defeat and retreat —to a degree, indeed, which enables the student of conditions to well understand the response, in November, of the Women's National Council of France to an appeal from German women for a mitigation of the Armistice terms: "No! We will not intercede with our Government to mitigate the conditions of the Armistice, which are only too justified by the manner in which

Germany has waged war. In the course of these tragic years German women, believing victory was certain, remained silent at the crimes of their Government, their Army and their Navy. At the Congress of the Hague, to which we refused to go, the President of the National Council of German women was invited to protest against the violation of Belgium and against the torpedoing of the *Lusitania*. She wrote in reply: 'We are at one with our people. The men who took the responsibility for Germany's decisions are as dear to us as those who are shedding their blood for us on the battlefield.' "

Unfortunately, also, the French Government and people had to deal with more than German invasion—the evolution of internal treachery. Why a man of brilliant but twisted mentality like Caillaux should be pro-German and Pacifist at such a national crisis will be one of the problems of a nation's history. His plans to overthrow the Government and guide France into a separate peace with an unscrupulous foe could only be explained by a form of insanity, a distorted ambition such as led the Kaiser into the war, or by German gold. His association with Bolo Pasha, who died on the scaffold, with Duval, Editor of *Le Bonnet Rouge* who met a similar fate, with Almereyda of the same journal who suicided in goal, with Cavallinie who fled under sentence of death, with Louis Malvy, Minister of the Interior for years who was convicted of communication with the enemy and banished for four years, with Senator Humbert of *Le Paris Journal* who escaped punishment; his connection with all the elements of disintegregation and disloyalty, extreme Socialism and defeatism, stamped him as one of the most evil influences in France during the War.

In the Argentine in 1915 he was proven to have been in touch with Count Von Luxburg and the German authorities through Von Bernstorff at Washington; in Italy he personally aided Giolitti and other doubtful elements; in France he was so strong politically that four ex-Premiers—Viviani, Briand, Ribot and Painlevé testified in his favour at the trial; in the Governments prior to that of Clemenceau he had Malvy and Leymerie, Chief of the Secret Service, as his tools while his leadership of French Masonry—the Grand Orient rite—gave him peculiar additional power. These were some of the internal difficulties which had to be met and were met, which, after all, only touched the fringe of France's splendid efforts and national patriotism, which, in the end, left still more glorious the reputation won in historic centuries.

Belgium: Its War Condition and People. Belgium during the year had to undergo all the continued pains and penalties of German occupation. Her already ruined industries were made still more subservient to German needs, or further stripped of machinery; her skilled labour still was carried away to work in German factories and her unskilled labour to work in German fields or trenches; her women continued subject to the most bitter bondage of a brutal conqueror, the Courts were suspended or

superseded, the Banks turned into instruments of German oppression, the spoilation of the Churches continued from time to time. According to Cardinal Mercier in an interview on Nov. 27th (after the Armistice) 49 Belgian priests, in all, were tortured or put to death during the German occupation; the treasured and exquisitely-toned, almost sacred, church bells of many shrines had been carried away and melted down for munitions while 12,000 men were taken from his Diocese of Malines, alone, to work in Germany. Sir Cecil Spring-Rice told the Canadian Club at Ottawa on Jan. 20, 1918, that 5,000 civilians had been murdered by Germans in Belgium up to that time. The country was divided into two parts, and the Flemish section of Belgium, including Zeebruggé and a strip of coast holding Antwerp and Brussels was declared an independent State under German protection with the excuse that some of its population had German affiliations. Fines of cities and municipalities, collected for the use of the German Government, continued and reached by Oct., 1918, a total of $431,000,000 while Belgian looted furniture was for sale during the year as far away as Norway. As in northern France the Army zones were the scene of organized slavery.

As the year grew towards victory, and a new and renewed hope and life, the requirements of reparation were widely discussed amongst the Allies. National integrity and independence, reparation for damages and guarantees against future aggression, had been the steady demand of the King and nation. The estimated damages ran up to $4,000,000,000 and reconstruction involved the restoration of factories to a people who had lived, chiefly, by their industries and whose country had been stripped bare of everything in machinery, material and skilled labour with at least 500,000 of its people refugees in other countries. The total Debt of Belgium by the close of the year was $1,900,000,000 and the war expenditures $1,600,000,000. While the Allied troops were advancing and the Germans retreating the Belgian regions involved reached the heighth of their misery. During October pitiable streams of people filled the roads and were driven along by force, or starvation, in front of the fleeing hordes; behind the retreat remnants of suffering humanity received aid from the victors; in other directions the roads were filled with refugees streaming toward the Allied armies—out of France or parts of Belgium as the case might be. Destruction also marked the retreating armies—apart from that inevitable to artillery warfare—and many towns and villages were wantonly destroyed in the process of evacuation.

Meantime, the Government of Belgium had been nominally centred at Havre with Baron de Brocqueville and M. Coordeman as successive Premiers and the ever-popular King Albert living his life chiefly at the front with his Army. In July the King and Queen Elizabeth visited England and received an ovation in London despite the privacy of their movements. On Oct. 25th the King made a triumphant entry into Bruges, as the advancing

British armies freed that famous centre, and received an almost delirious welcome from the populace; a month hence he was in Brussels and on Nov. 22nd re-opened the Parliament of his nation surrounded by Cardinal Mercier, General Leman, the gallant defender of Liége, Burgomaster Max and H. R. H. Prince Albert of Britain, with a speech which declared the abolition of any neutral condition or guarantee for the future and the complete independence of his country. On. Nov. 30th he entered Liége at the head of troops which had defended the city in 1914 and, a little later, Belgian soldiers occupied Aix-la-Chapelle in Germany while the British occupied Cologne. The Canadians were at Bonn, the French at Wiesbaden and the Americans at Treves.

Italy in the 1918 War Struggles. The position of Italy during this last year of the Great War was of vital importance though it was not very familiar to Canada. The country and its armies were, in a certain sense, at the back of the Western front; had Italy been blotted out of the War or conquered by Austrian force and its armies crushed, the British and French forces would have been caught in the rear and the end might have been very different to what it was. The revenge for Caporetto and the disasters which marked the close of 1917; the driving of German-led Austrians from the soil of Italy and the triumphant advance toward Trieste and the Trentino which the Armistice stopped; the freeing of a million Italians from the hated rule of Austria, the expansion of Italy into the greatest if not only Adriatic Power, the establishment of Italian authority in Albania; these things were achieved in the main by Italian soldiers. British and French troops, it is true, did gallant service which in its time and place saved the rout of Caporetto from becoming the conquest of Italy; but most of these forces had to be drawn away during the tremendous days of March-July, 1918, on the Western front.

Meanwhile, however, the great work of the British Artillery in preceding months—before, during and after Caporetto in fact —coupled with that of the Aviation forces had done much to strengthen the Italian armies and improve their shattered *morale.* The year 1918 had opened with the Austrians checked in their advance into Italy, with the line of the Piave held and the enemy, though only a few short miles from Venice, robbed of his hopes and the full fruits of victory. So it remained, in the main, until June 15-16 when the Italian army which had, meanwhile, become the right wing of the great army of the Allies was attacked, under Marshal Ludendorff's orders, by the Austrians from the Asiago, the Grappa and the Piave. The ground was held by the Italians, however, and the movement proved abortive while a counter offensive on June 25-6 carried the Italians well forward. A great Italian offensive was ordered four months later by Marshal Foch and between Oct. 19 and Nov. 11 when the Armistice was signed, General Diaz had captured 300,000 prisoners and 5,000 guns and made the early and complete collapse of Austria in-

evitable. There were three British and two French divisions in the struggle and one American regiment. In the Aviation forces there were many Canadians. Italy in these months gallantly did its part in the world conflict for freedom; a part which warranted national pride and patriotic recollection in every native of its sunny slopes who was or might ever be in the far-off Dominion of Canada. It was a part, also, which gave the nation high place and rights in the ensuing Council of the Allies at Versailles.

The internal position of Italy during this year was at first precarious, always more or less troubled, eventually stronger. The signal defeat of Caporetto (Oct. 23, 1917) had brought the people together in face of danger but with many hidden foes and traitors still working underground; Signor Giolitti, the pro-German and Pacifist Premier of pre-war days, though technically acquitted of treason, was, in many respects, the Caillaux of Italy; his followers were many and German influences in the last year of the war still remained considerable; in May and June a peace offensive, engineered by Von Straussenburg, Chief of the Austrian General Staff, swept like a poison-gas attack over the country—in forms similar to those which had preceeded and accompanied Caporetto; the Rome *Idea Nazionale** declared that leaflets were introduced into houses and stores at Milan, proclamations disseminated at Florence, rumours spread in Naples, false news, false documents, false assertions circulated everywhere, and all tending to promote doubt, to infuse terror of German air-raids, to show the destruction of the Army as imminent and to suggest peace by negotiation. Like Caillaux, Giolitti was acquitted of actual treason; sundry Socialist supporters such as Lazzari, however, were sent to goal in February for terms of years, while Riccardi, a friend of Giolitti and of Caillaux was arrested; the influence of the great German-owned Banca Commerciale, in Milan, which was so long behind Giolitti and in control of his Parliamentary followers, was neutralized in its power by affiliation with the City and Midland of London and by the organization of the Campagnia Italo-Britannico in Milan.

A favourable basis for treachery within and propaganda from without was the economic situation of the country. Primarily an agricultural country Italy had developed in later, pre-war, years a certain industrial prosperity through the investment of about $600,000,000 of German money; as the War proceeded she continued to prosper for a time through German and Austrian demands and high prices; then came her abandonment of neutrality, a restriction of markets and inability to import food and coal freely owing to the Submarine campaign. During 1917 and 1918 Italy was more or less threatened with starvation and even the troops found their *morale* affected by short rations—helped by German-Austrian spies, propaganda and money. Never a rich country, financially, ills of all kinds ensued and at one stage in

*Note.—Quoted in *Literary Digest*, N. Y., June 22, 1918.

1918 the Bank Credito Centrale Del Lazio, in which thousands of farmers were depositors, was only saved from bankruptcy by an advance of $1,000,000 from the Holy See. Added to all this was the loss of fully 1,424,698 men who were killed in action or wounded; others, dead of disease, disabled, missing and prisoners, made a total casualty list of 1,985,487 with 2,400,000 officially stated as "sick"—out of a population of 36,000,000.

But the people as a whole saw it through to an end which gave them a magnificent victory over the German-led Austrians and an army of prisoners; which swept all resistance out of the way and promised a triumphant march to Vienna had the Armistice been postponed; which gave to Greater Italy the long hoped-for Trentino, Trieste and Pola with national control of the Adriatic; which crowned their campaigns in Albania and Macedonia with victory. It almost realized the hopes expressed in the Treaty with Russia, Great Britain and France, signed about two weeks before Italy entered the War, and under which she was to have the Trentino, the whole of Southern Tyrol, Trieste, Gorizia and Gradisca, the Istrian Islands and the Provinces of Dalmatia and Valona. Italy, in November, 1918, had won its centuries-old struggle. As Count Macchidi Cellere, Italian Ambassador at Washington, put it on May 23rd:

> The struggle of today is, to us Italians, the rounding-out of a tremendous cycle of world history, in which, alone of all civilized nations, Italy was in at the beginning and is in at the finish. Since the time when Roman law laid the foundations for the international intercourse of the world, the struggle has gone on against Teutonic brutality. We are in it as a nation with all the traditions and survivals of centuries, with all the memories of the race, with all the influences of obscure ancestral heredities. One verse of our national hymn reminds us that no Teuton stick ever curbed Italy, and that the children of Rome do not grow to a yoke.

Another phase of the Italian part of the World War was mentioned by Signor Marconi in London on Sept. 23rd. The world knew something of Italy's economic difficulties, its internecine treacheries, its splendid gallantry in the mountain battles of these later years, its exploits on sea and in the air. But few knew this—and it is worthy of permanent record: "Since the beginning of the War Italy has called up about five million men, and she is the only Allied country which has had, for over a year, in the fighting line the 1899 class—young men of 19 years of age; which, more than six months ago, called up and enrolled the 1900 class for the Army and the 1901 class for the Navy—that is to say, boys of 18 and 17 years of age."

The 1918 Changes in the Balkans. Outside of the steady concentration of Allied troops, and other preparations in Greece, with the victorious campaign which followed, the Balkans did not contribute much of international importance to the War in 1918. Up to the last month before the Armistice Turkey remained under control of the two ruthless adventurers—Enver Pasha and Talaat Bey—who worked under German influence and held sway by the

support of German power. The one had been a peasant, the other a letter-carrier, both were men of ability but corrupt in character, unscrupulous in policy and action, cruel in temperament and practice. Under them profiteering and exploitation were colossal in amount, huge fortunes tipped the scale against abject poverty and misery, prices in Constantinople rose to fantastic heights. Meanwhile chaotic conditions in the unfortunate Asian provinces, still under Turkish rule, threw up to the top all kinds of ruthless leaders; persecution, organized robbery, murders of every kind, starvation amongst the masses, were prevalent; at first slowly, but surely, and then with spectacular rapidity, Mesopotamia, Palestine, Syria and the Arabian littoral were lost to the Turks and passed, chiefly, into British hands.

As the end came in October and the Allied troops closed in on Bulgaria, Enver and Talaat fled with their ill-gotten gains and loot from the public funds; Izzet Pasha became Premier under the new Sultan, who had acceeded to power in July; the Young Turk Union which, under the above leaders, had been responsible for so much slaughter in general and the Armenian massacres in particular, was dissolved; a total of 3,000,000 persons, men, women and children, was estimated by the London *Post* correspondent at Constantinople (Dec. 5th) to have been massacred during the Enver-Talaat *regime*. On the verge of bankruptcy as a nation, but with individual Turks rich to a degree in the accumulated spoils of the war-period, Turkey surrendered on Oct. 30th: its capitulation was accepted by a British Admiral and the Forts of Gallipoli occupied by British troops while Allied war-ships passed up the Dardanelles and held Constantinople under their guns.

Meanwhile, the handwriting on the wall had come also to Bulgaria. That country and its crafty ruler had entered the year with real hopes of German triumph and of enlarged territories made up of the Dobrudja taken from Roumania, part of Macedonia taken from Serbia, Kavalla and other territory taken from Greece; it ended the year on its knees to the Allies, Ferdinand a dethroned fugitive, and its future in the hands of those who would try to reward its long tale of deceit and treachery, its vicious record of cruelties to Serbians and Macedonians, with some measure of justice. On Sept. 25th the triumphant advance of the Allied armies under General d'Esperey, with British troops in the lead, had crossed the Bulgarian frontier; in the next few days Serbian, Greek and French soldiers all were driving the Bulgarians before them; on the 30th Bulgarian envoys in the Allied camp signed the Armistice which marked the beginning of the end for Turkey and finally for Germany. King Ferdinand abdicated on Oct. 4th and Boris III reigned in his place; M. Malinoff, had some months before, with views of pretended democracy, replaced M. Radoslavoff as Prime Minister. At the end of the year Bulgaria awaited the decision of the Allies with full certainty that its power would be curtailed, its wings clipped, its territory diminished.

Roumania, with its tragic record of betrayal by the Czar's pro-

German Ministers and by the Bolsheviki successors of the old *regime;* shackled and handicapped by German successes in the beginning of 1918 and Allied difficulties at Salonika; surrounded with Russian and Austrian and Bulgarian and Turkish enemies; was compelled to surrender and to sign a Treaty of Peace on March 5 with the Teuton Allies, which demobilized its armies, gave Dobrudja, its only outlet on the sea, to Bulgaria and other territory to Austria, granted complete control of the Danube to its enemies and possesion of its wealth-producing oil-fields, became a new bridge for the transport of German men and supplies to Russia and the East, and realized, for a time, one more step in the German dream of Mittel-europa.

The new situation added to the sufferings of this once prosperous and proud people. Ravaged by war and invasion and occupation by the enemy, conditions were described as follows in an appeal from the long-suffering Queen Marie to the American people: "Here, in Roumania, there are disasters and suffering without end. Death in all forms has stricken the country, the sword, flame, invasion, famine, and sickness. Our land has been taken away from us; our hopes destroyed, cities and villages devastated. That which remains to us yet, of our country, is over-run by the masses of population saved from the brutalities of the enemy. Our hospitals are full. We need food." By August of the year the war had claimed 800,000 victims or 11 per cent. of the population; in September Take Jonescu, the patriotic, Liberal-minded pro-Ally leader of the people, described a Roumania in which the King and Queen and Parliament were alike insulted and over-ruled by the Teuton conquerors who were, also, collecting $70,000,000 a year to pay the costs of occupation by six Divisions of their Armies.

Meanwhile, gallant little Serbia was suffering under a combined Teuton and Bulgarian occupation which was avowedly bent upon crushing every element of nationality still left in that unhappy country; its King and his Prime Minister were fugitives with a nominal Government set up in Corfu—one of the Isles of Greece; its people were on the continued verge of starvation and their other supplies can be estimated from the fact that paper-made boots sold for $120 a pair; destitution, mal-nutrition, disease and death were natural and constant elements in the situation while the limitations and sufferings of women and girls were beyond description; the use of the language was abolished, the National literature was destroyed, even the dead were robbed of their Serbian tombstones. Yet the remnant of the people endured—silently, sullenly, stubbornly—looking forward to a future when Serbia would take its place as the head of a great Slav nation. With it, then, was to be Montenegro, the brave little nation of mountaineers, which had also been over-powered after losing 10,000 soldiers out of 46,000 and which had to bend its proud neck in these years to a most hateful yoke. Statistics* given by

*Note.—March 18, 1919.

Prof. G. Diourelete, of Belgrade University, before the Royal Statistical Society in London, showed that Serbia had placed in the field of battle, altogether, 707,343 men, between 1914 and 1916, and had maintained 500,000 effectives; that 45,061 were killed in the Austrian offensives of 1914 while 69,022 died from wounds and sickness and 150,000 were left wounded on battlefields and taken prisoners; that 150,000 men perished during the Albanian retreat, while 56,842 died from sickness in 1915; that 300,000 of the civil population perished from Typhus, 50,000 died in enemy camps, 200,000 children and young people died during the two retreats and 250,000 of the Civil population died, during enemy occupation of the country, from lack of food or medical attention; that a total of 1,000,000 perished during the War.

Greece had so long been a pivot upon which the wheels of the Balkans turned that its final triumph, under Allied direction, in 1918, was a deserved reward to a people who had been misrepresented by King Constantine, deceived and fooled by clever German propaganda, and used for years as a tool in the tortuous diplomacy of the Balkans; yet who had never lost faith in the liberty embodied in Venizelos. During their first year of war (1917) the Army of National Defence had grown to 17,000 while 200,000 men, all told, were mobilized and under arms in 1918; Allied loans had revived the finances and aided recovery from the long period of internecine struggle, German plots and Allied blockade. With the advance of the Allied troops in September came the recovery of Macedonia, where pillage, persecution and murder had so long been rife under Bulgar occupation; with its triumph came the hope of bringing together, or at least protecting, the masses of Greeks in Asia Minor and European Turkey who had suffered so greatly from murder, abuse and pillage during recent years; with it also came the certainty of strengthened and enlarged borders, the hope at least of a period of peace. Out of all this chaos and welter of war in its cruellest form came the Balkans' chance for a new life and regeneration—the establishment of a Greater Roumania and Greater Serbia composed, it was hoped, as follows:

Roumania.	Area.	Population.	Jugo-Slavia.	Area.	Population.
Roumania	53,000	7,500,000	Serbia	34,000	4,500,000
			Montenegro	6,000	500,000
Bessarabia	17,000	2,600,000	Bosnia-Herzogovina ..	20,000	2,000,000
Transylvania ...	20,000	2,500,000	Croatia-Slavonia.	16,500	2,600,000
Bukovina	5,000	750,000	Carniola	3,800	500,000
			Part of		
Part of Banat..	7,500	1,000,000	Dalmatia	5,000	650,000
Totals	102,500	14,350,000	Totals	85,300	10,750,000

Neutral Countries and the War. Neutral countries continued to suffer in various ways during 1918 but, as the evidences of Allied success grew greater, their troubles tended to grow less. The opposing pressure from two groups of hostile Powers naturally

lessened while Allied sentiment in countries such as those of Scandinavia found greater opportunities to assert itself. One good development had arisen out of the War for Norway, Sweden and Denmark—the growing together of the three countries and the evolution of yearly Conferences into a distinct bond of co-operation. One of these was held at Copenhagen, in September 1918, with 60 delegates present and a decision in favour of joint economic action—in trade as well as tariffs and after as well as during the War. As the German and Bolsheviki tenacles spread over Russia and were brought home to Sweden, in Finland and in the Aland Islands, and as Allied victories swept the Teutons back in France, Sweden woke up to the fact that perhaps its sympathies for the one-time German conquerors were unwise and at least premature; the Government and governing classes began to modify their policy and opinions while Branting, who led the Socialists, spoke plainly of their pro-Ally feelings. The Swedish Telegram Bureau, an important agent of German propaganda, was checked through organization of an independent press system by England and France while the German occupation of Aland proved a most unpopular action and indicated clearly to the Swedes the desire to make the Baltic a German sea. Then came the Swedish arrangement with the Allied Powers under which, in return for the right to import raw materials through the Blockade, Sweden was to guarantee to Allied countries a fair proportion of its entire iron-ore export with, also, an embargo on certain exports to the Teuton countries.

For Norway, the wholesale and continued destruction of its shipping by German Submarines, the threats and strong hand of German diplomacy, the restriction of trade by the rival groups of Powers, had created a most unpleasant condition. It was estimated in April that 600,000 tons, gross, of shipping had been lost by Norway and a protest by Norwegian Shipping Associations at this time described the indignation and bitter feeling of the people while expressing "most deep abhorrence of the German Navy's conduct, the brutality of which stands in sharpest conflict with the love of humanity, and is without parallel in the history of Naval warfare and is unworthy of a seafaring nation"; steel shipbuilding was held up by the impossibility of obtaining materials from Britain, the United States or Germany; the action of the United States in requisitioning foreign ships under contract, or construction, barred $100,000,000 worth of shipping from Norwegian service. On the other hand Norway had allowed the chartering of a million tons of shipping to Great Britain and an agreement was made early in 1918 with the British and American Governments for the importation of foodstuffs for local consumption. The coming of the Allied victories was hailed with delight in public places at Christiania. As to Denmark it had always been as friendly to Britain as it dared to be and, in September, was able to make an arrangement with that country and the United States for import of food products under certain conditions.

The Dutch Republic was, during all the latter period of the War, as pro-German in policy as conditions would permit. The Queen's husband, Prince Henry of Mecklenburg, was a German whose power had been greatly curtailed at first but who, through Court influence and pressure by certain Ministers, as well as the feeling of most of the Army chiefs, was latterly given a freer hand. Economic conditions were also strongly German. Amsterdam and Rotterdam were German commercial outposts—Rotterdam, especially, having been the chief unloading port for the heavy and profitable Rhine traffic; the leading firms of Mannheim, Cologne and Dusseldorf had permanent branch offices in the larger cities of Holland; German banks had been established to attend to the financial end of German economic penetration and they were the controlling factors of the Stock and Produce Exchanges. From the outbreak of the war Coal could be had only from Germany, which thereby fastened her grip on the manufacturing and transporting interests. The big trans-oceanic steamship companies before the War had found it profitable to do the bidding of Berlin, and they expected an increase in old favours after the restoration of peace. The classes and the military, therefore, were pro-German; the farmers and the workmen were largely pro-Ally.

Hence such incidents in 1918 as the failure to come to an agreement with the United States regarding Dutch ships held in American ports because they were not allowed to do any service except carry grain to Holland at a time when it was not needed and could only be used to supply the enemy; hence the vigourous but useless protests against the eventual seizure of these ships of nearly 600,000 tons by the U. S. Government for transport purposes and a similar action by Great Britain in respect to 400,000 other tonnage; hence the refusal of the Netherlands' Government to accept the British proposal that fats and oils be allowed free importation if Dutch exports of this nature to Germany were stopped; hence the sheltering of a German vessel—supposedly an auxiliary cruiser—at a Dutch port to prevent her being captured by the British and the sharp diplomatic interchange which followed; hence the embargo by Holland on the export from the Dutch East Indies of tin, tin-ore, Chinchona bark, quinine salts and other things needed in the War by the Allies; hence the frequent breaking of Dutch neutrality by the passage of German aeroplanes over its territory and the passage of German troops across the Province of Limburg upon their retreat from Belgium. That there was much in this pro-German attitude appears evident from the Kaiser's eventual flight to Holland and his maintenance there despite Allied protests; that Dutch neutrality was not considered well-kept appeared later in the selection of another place than The Hague as Headquarters for the new League of Nations.

Spain, like Sweden, barely escaped being drawn into the German net but, fortunately, the propaganda of the Germans was counteracted by the Submarines and by such incidents as the sinking, early in 1918, of a coasting vessel called the *Geralda* which

carried a neutral cargo from one Spanish port to another and was robbed, sunk and the crew cast adrift in open boats. It, also, was checked by the King's popularity, his wise policy and his obvious friendliness to the Allies. As in Portugal conditions during these latter years were greatly troubled with a widespread anarchistic agitation apparently financed by German gold; the Army in the spring of this year was eaten into by a species of Soviet and was ripe for revolt; the Church authorities, with the exception of two or three leading Bishops, were inclined to be pro-German, or rather pro-Austrian—with whose Church and people they had close affiliations; the press was largely pro-German, the growth of republicanism was steady and the coming of the United States into the war aroused some lurking elements of old hostility. Economic conditions early in the year grew worse, factories closed down, coal supplies were painfully inadequate, discontent was general. At this juncture the King had intervened, summoned the leaders of all parties to his palace, formed a new Coalition Cabinet with Signor Maura as Prime Minister and three other ex-Premiers—Dato, Romanones and the Marquess de Alhucernas—as members, together with the Duke of Alba. A trade agreement was made with Britain and France and, with both the political and economic situation thus relieved, Spain turned finally away from the German peril; the change was accentuated by further Submarine outrages. In October a number of important reforms and proposals were announced by the Maura Government.

The aid given by Portugal to the Allies was not very substantial and the difficulties of its Government were increased by the very natural suspicion of the Allies that all was not quite right. Sidonio Paes, who late in 1917, had won the Presidency by a revolution of the South American type was confirmed in power by a large majority, under universal suffrage, but with many refusing to vote; he was assassinated on Dec. 14, 1918. Paes embodied the qualities so often found in so-called popular and republican leaders—high handed use of authority, vigourous measures to enforce his decisions, thousands of preventive arrests and deportations and frequent executions—a permanent exhibition of force. In the War President Paes was not aggressive and believed the internal conditions of Portugal—absence of coal, shortage of wood, lack of food, should be his first consideration. As to the Portuguese Divisions in France they did not do more than defend certain points; on one testing occasion they gave way and percipitated a wide British retreat; in East Africa Portuguese troops gave the British excellent support.

Switzerland remained in 1918 the centre of a network of propaganda and espionage—a perfect nest of spies. Zurich was the heart of this system and it radiated intrigue throughout the world. It was not the fault of the Government; it was really owing to geographical position and the large German-speaking section of the population; and German spies were not alone. There were secret agents of Britain, France and the United States as well;

there were Bolsheviki emissaries and every form of counter espionage; there was the menace of Constantine of Greece and his wife, the Kaiser's sister, with a special centre of intrigue. The Government held its neutrality admirably and against difficulties too numerous to deal with here—a situation in which some German effort to thrust through Switzerland into the back of France was always possible with, also, an expressed fear of the British Allies in this respect which evoked, early in 1918, a renewed assurance of absolute regard for Swiss neutrality. The ration system was as rigourous as in any War country; trade was dull but there was no lack of money amongst the people. A Report of the Swiss Council to May, 1918, showed that in six months 91,442 French civilians, removed by the Germans from Northern France, had passed through Switzerland and 27,220 military prisoners been interned there.

War Conditions in South and Central America. In the War these countries took a largely nominal part. Eight of the nations declared war against Germany—Brazil, Cuba, Panama, Nicaragua, Guatemala, Costa Rica, Haiti and Honduras; four others severed diplomatic relations—Bolivia, Peru, Uruguay and Ecuador; six remained neutral—Argentina, Chili, Columbia, Mexico, Paraguay and Venezuela. No troops were sent to Europe, however, and little money contributed to aid the cause; the support was nominal except where trade facilities could be given or, in some cases, German interned ships seized—notably by Brazil—and put into transport service for the Allies. In the early years of the War too, South America was a fruitful field for German plots and propaganda. Brazil, which had received much British capital, was very friendly to the Allies and aided in 1918 by the co-operation of its Navy with the American fleet in European waters, by the contribution of shipping, and by guarding South American shores generally against submarines. The Germans owed most of their pre-war success in South America to the fact of speaking Spanish, to the use of local currency in business quotations, to adapting packing and other arrangements to local demands, and to prompt deliveries of goods; they continued at times to collect supplies and arrange contracts for the period following the War. German-owned Banks also, exercised great influence and a continuous propaganda in pamphlets and literature helped to keep the countries as a whole from any active war-effort.

There was a swaying of the pendulum from time to time. In Argentina the Government refused to permit the Allied use of German ships interned in her harbours, though suffering greatly from want of transports to ship wheat or import coal; the President and Government were pro-German in general policy and the people pro-Ally in speech and press and public meeting; at the same time a Loan of $200,000,000 was made to facilitate the sale of Argentine cereals to the Allies. Venezuela, through President Gomez, played the German game thoroughly with a complete grip

of its political and commercial interests by German agents and was even suspected of being a Submarine base; Uruguay had a good deal of German influence in its midst and continued to hold a number of interned ships, but Submarine incidents evoked a suspension of relations in 1918; Columbia came very near a rupture with Germany despite a period of pro-German Government and, in August of this year, appointed a Minister of Foreign Affairs friendly to the Allies; Chili had no German ships in its harbours but managed to retain its neutrality though the Germanized feeling in the country was strong and the smaller German merchants, of whom there were many, lost heavily through American competition and the British Black-list. German banks were numerous and the army German-trained; originally German professors in the Colleges had much influence and the Church was inclined to be anti-French; Chilian schools had been influenced by German educational methods and money, and a Chilian-German League tried to extend all these influences. By 1918, however, the country was inclined as a whole, in the other direction. Peru, in severing its relations with Germany, also seized interned ships of 50,000 tons, and this aided the Allies; although in 1918 a motion for declaring War was defeated in the Chamber at Lima by a large majority. Nicaragua and Costa Rica and Honduras came into the war-line in 1918 and were influenced largely by the desire for solidarity with the United States in this important matter.

Mexico under President Carranzo, remained distinctly unfriendly in the War—largely because of its hostility to the United States. Financial conditions in 1918, however, became more stable, the output of the great oil-fields was large but its disposition, at times, precarious. These and other mineral properties had been developed mainly by British and United States capital and the President's avowed policy was public ownership *via* confiscation. In the hands of clever German agents this policy was an excellent means for hurting British shipping and American interests. Protests were made, stronger measures might have been taken; but good sense finally prevailed over what appeared to be a desire to embarrass the Allies wherever possible. The proposed method of dealing with the oil-fields was to impose taxation of a peculiar and difficult character—on the surface of the lands, on the rents, royalties and production; payment was to be made in kind at the storage stations of the operators. An attempt was made to separate the ownership of the surface land from that of the mineral deposits beneath, and the whole legislation was a practical confiscation of property rights. As to this, on April 2nd, the U. S. Government announced its refusal to acquiesce in the application of these taxes.

The Island of Cuba came into the War in 1917 for reasons which reflected honour upon its traders and people—the German violations of International law and the action taken by the United States, to whom it was bound by ties of gratitude and fraternity.

President Menocal co-operated with the United States wherever possible and, through control of the price and production and local consumption of sugar, the largest crop in Island history (3,500,000 tons) was raised and exported to meet Allied needs; American troops were received in Cuba for purposes of training and officers and men of the Cuban army were sent to the United States for the same purpose; propositions were made to send a Cuban Contingent to Europe and effective measures taken against German espionage and propaganda; a yearly credit of $2,500,000 was established by the Cuban Congress to aid War victims in the various Allied nations and, in June, $250,000 was distributed for Red Cross purposes.

Two international developments occurred regarding South America as a whole in 1918. The first was the visit of a special British Mission, composed of Sir Maurice de Bunsen, G.C.M.G., G.C.V.O., General Sir Charles Barter, K.C.B., Admiral James C. Ley, C.B., T. A. Grant, M.P., and others. They left England in May at the command of the King, to visit the various Republics for the purpose of expressing his friendship, and at the same time to voice British appreciation of the action of the Republics, in some cases, in declaring war; in others for breaking off relations with the Teuton Governments. The Mission visited the Presidents of Brazil, Uruguay, Paraguay, Argentina, Chili, Bolivia, Peru and Ecuador. In each country the greatest courtesy was shown and the most enthusiastic hospitality given. One practical result was a treaty of peace and friendship with Peru. Commercial matters were indirectly dealt with by the Mission and after-war preparations and trade no doubt facilitated. At Washington on Sept. 6th Sir M. de Bunsen stated that: "In travelling through practically every South American country, I found the people growing more strongly in favour of the cause of the Allies. We naturally expected strong sympathy in Brazil, but we were agreeably surprised to find warm feeling toward us, also, in Argentina, Uruguay and many other countries. Germany's trade organization in South America has been almost entirely knocked out. German banks are still open in various South American countries, but they are doing no business."

The second development was one of United States influence. The International High Commission organized at Washington in 1915, as an outcome of the first Pan-American Financial Conference, was a body made up of 9 members from each American nation and its objects were defined at the first general meeting at Buenos Aires in 1916: (1) The establishment of a gold standard of value; (2) bills of exchange, commercial paper, and bills of lading; (3) uniform (a) classification of merchandise, (b) customs regulations, (c) consular certificates and invoices, (d) Port charges; (4) uniform regulations for commercial travelers; (5) the international protection of trade-marks, patents, and copyrights; (6) the establishment of a uniform low rate of postage and the improvement of money-order and parcels-post facilities between

American countries; and (7) the extension of the process of arbitration for the adjustment of commercial disputes. One probable outcome of this co-operation was the arrangement in June 1918, under which large credits were given in New York to Argentina, Chili and Peru for the purpose of stabilizing exchange. Another phase of American influence was shown in President Wilson's intervention during the year to avert a threatened war between Chili and Peru.

War Action of Japan and China in 1918. The part of Japan in the War had not been very active since the first events of 1914 —the capture of Kiao-Chao and co-operation with the Australian fleet in the taking of German Pacific possessions. Until February 1917, the Japanese patrolled the Indian Ocean and, then, a fleet of cruisers and destroyers went to the Mediterranean where it operated in protection of commerce and transports. At first, public opinion had been opposd to going outside of the Treaty with Britain or sending troops abroad; later there was a willingness to do so expressed in many quarters; finally, the Russian expedition was arranged. This later policy, together with the continued economic penetration of China, the intention to hold whatever Chinese territory the War had brought and the development of great war wealth and industrial activity at home, marked the rise of Japan as the dominating Power in the East after Great Britain. As to Siberia, the much-discussed action of Japan really turned upon United States approval and was officially described in the Tokio *Gazette* of Aug. 4th as follows:

> In the presence of the danger to which the Czecho-Slovak troops actually are exposed in Siberia at the hands of the Germans and Austro-Hungarians, the Allies have naturally felt themselves unable to view with indifference the untoward course of events, and a certain number of their troops have been ordered to proceed to Vladivostok. The Government of the United States, equally sensible of the gravity of the situation, recently approached the Japanese Government with proposals for the early despatch of troops to relieve the pressure weighing upon the Czecho-Slovak forces. The Japanese Government, being anxious to fall in with the desire of the American Government, a certain number of troops will be sent forthwith to Vladivostok. In adopting this course, the Japanese Government declare that upon the realization of the objects above indicated, they will immediately withdraw all Japanese troops from Russian territory.

At the end of the Russo-Japanese War the Mikado had about 1,000,000 men under arms; at this date probably twice that number could have been utilized. If Japan had chosen to intervene in Siberia where she had large commercial and national interests, no nation could have prevented her; if she chose to stay there after the War no nation could have stopped her without another and severe war. Hence the serious nature of the United States suspicions as to the *bona fides* of Japan and the long delays which they caused. The British view was very different and was expressed by Lord Robert Cecil on Mar. 15th as follows: "I should be glad if Japan will take what action she may see fit, both in her

own interest and in that of the Alliance as a whole, to prevent the Germanization of Russia. Personally, I should welcome Japan acting as the mandatory of the Allies for that purpose." He referred to Japan's earlier services and also to her share in the Naval activities which resulted in the destruction of Von Spee's squadron off the Falkland Islands. "We have always," he added, "found Japan scrupulously loyal in the performance of her obligations. If she accepted the duty of preventing German penetration of the East she would carry it out with loyalty and great efficiency."

The prosperity of Japan was very great in 1918. A ship-building programme was started which involved the construction of 250 ships of one million tons, in the year. Large profits were made in this work—one Company paying a dividend of 2,000 per cent; fortunes were also made in the sale of ships at fabulous war prices; much shipping was sold to the United States in April to help in bringing grain from Australia to Europe. As the months passed the country grew richer and richer; export trade was practically unrestricted and new industries such as Pencils—which Austria and Bavaria had once controlled—sprang up everywhere; cotton mills and other textile productions grew apace and great industrial centres developed throughout the country; skilled labour received higher wages, but not in proportion to Western figures while food, clothing and rents advanced proportionately. There were inevitable economic troubles and serious mob riots in Tokio during August. A victory for popular Government took place a little later when Field Marshal Terauchi resigned the Premiership and the Elder Statesmen, or Emperor's inner Council of four—Prince Yamagata, Prince Oyama, Marquess Mastukata and Marquess Saionji—recommended the calling in of Taikshai Hara, a Liberal party leader, who formed a Coalition Cabinet. As to terms of Peace acceptable to Japan the Marquess Okuma, ex-Prime Minister, declared in the Tokio *Kokumin* of Oct. 21st that on general issues they would stand with France, England and America, but as to Eastern matters and special interests of Japan, the following decisions were desirable:

> The Marshall, Caroline, and Ladrone Islands, which the Japanese occupy, are valueless to Japan, but dangerous in the hands of Germany. As there is no reason why they should be given to a third Power, Japan must continue in possession of them.
>
> The telegraph connecting Tsingtau and the South Seas, now in control of the Japanese Navy, will be transferred to Japan. The Tsinan Railway should also be held by the Japanese, Germany purchasing it from the owners.
>
> Japan should confer with the Allies regarding the maintenance of order in Siberia. In reference to questions of concessions and other interests in these regions, no Power should be allowed to have a paramount voice.
>
> In the relations of China with other Powers, the principles of the open door and equal opportunity should be maintained as heretofore.

The war action of China in this year was not regarded by the *Entente* as satisfactory. At least 100,000 Chinese coolies were at the front doing useful work as Labour companies, but this was the

extent of the military aid given. Germans and Austrians at the beginning of 1918 were still carrying on a serious propaganda in the Republic with little interference from the Government; unrest was facilitated and agents were working throughout the East from Pekin as their headquarters; plenty of money was available for them and their influence with high officials was marked. Rebellion still struggled to overthrow the existing Government, which, in September was strengthened by the inauguration of a newly elected President—Hsu-Shih-Ching. His policy was announced as follows:

1. To bring about a consolidation of the present opposing factions by pacific means.
2. The prompt adoption of a permanent constitution on a truly republican basis.
3. The termination of all internal disturbances and strife.
4. Reduction in military expenses, reorganization of the army without discrimination between the north and south.
5. Promotion of the economic welfare of the people and development of Chinese trade through the co-operation of England and Japan.

Following this the Allied Powers presented to the Government a serious protest against China's War policy—or lack of it. It was stated that (1) the money obtained by postponement of the Allies' claims under the Boxer indemnity and its control of customs had been squandered in prolongation of civil strife; (2) that the Army was not properly organized, that none of it was employed in the War and part of it was wasted in Civil strife; (3) that bandits were allowed to injure certain Railways in which the Allies were interested for supplies and by invested money; (4) that a representative had been appointed to the Papal See who was understood to be favourable to the German cause; (5) that the Government had failed to properly investigate and watch the Deutch-Asiatische Bank—a German financial organization; (6) that enemy firms and newspapers and hotel centres were, in many cases, still at work and causing the Allies serious injury while the Enemy Trading Act, although passed, had not been promulgated; (7) that notorious enemy plotters and subjects had not been interned while in various Court trials enemy subjects were treated with undue leniency. Meantime Chinese merchants and traders were making much money with increased quantities of Chinese products exported at high prices; national revenues were good.

The Bolsheviki in Russia; German Socialism in Operation; Peace with Germany.

No development of the War had such far-striking influence as the collapse of Russia with its chaotic internal conditions and its mad propaganda abroad. No country in the world was unaffected by (1) the consequent extension of the War for many months; and (2) the promotion of class warfare everywhere. In Russia disorganization, starvation, individual license, robbery, brutal crime, the over-throw of social laws and religious influence and ordered government, wholesale immorality, were natural products of the rule of men who were

ignorant of all but wild theories nursed in malignant or disordered minds; who knew nothing of government or administration or the natural laws of trade and finance; who were personally ambitious without the restraint which law and custom and usage had put upon civilized men in most of the convulsions or revolutions of the past. For unscrupulous men, the situation was rendered easy by the curiously compounded character of the Russian people—docile to authority whether by Divine right or the strong hand; crudely idealistic, visionary and without real principle; easily led and individually excitable, talkative, changeable; full of Oriental, fatalistic, superstitious elements of thought and feeling; barbarous and brutal in action when passions were really aroused or innate prejudices stirred up.

As to actual conditions in Russia before the Revolution and the Bolsheviki wiped out so many landmarks, much nonsense was written in the press and books of other countries. The Russian *Statistical Year-Book* for 1913 stated the holdings of land—the Dessiatine of Russian measurement being changed here to its equivalent of three acres—as follows: Private ownership 33,000,000 acres, Peasant holdings 46,000,000 acres, State ownership 46,000,000 acres, Crown, Church and Municipal about 4,000,000 acres. Of the private holdings about 22 per cent. were in the hands of what may be termed the richer peasants. According to the Census of 1912 the population was chiefly composed of peasants who totalled 77 per cent. with 10 per cent. city people or *bourgeoisie*, as they were afterwards termed, and the balance nobles, officials, clergy, merchants, etc. As to occupations 74 per cent. were devoted to agriculture and kindred pursuits with 9 per cent. in the industries and mines, 4 per cent. in commerce and railways, 4 per cent. in domestic and day work. The idea, however, that the nobles controlled the land of Russia was deep set in the public mind of the world.

The Czar was unfitted by nature—a dreamy, conscientious, thoughtful, rather stupid and Russian nature—to lead such a people under such conditions as he had to meet, and so was Kerensky. Lenine and Trotzky were men of a totally different type; ambitious, unscrupulous, proud of an education derived from German Socialist and anarchistic literature, experienced chiefly in slum life and surroundings. They did, however, know the Russian character and they had enough capacity to play upon its weaknesses as a skillful musician might play upon a broken instrument whose wires he could still mould to music. They did not have to follow Napoleon's maxim of "Scratch a Russian and you find a Tartar" because they knew already that the Tartar savagery was there and that it could be used to further their ends—whether of anarchy and lunacy or personal power and corruption. At the Revolution, the ignorant, blinded masses found themselves, suddenly, without control or guidance, without the paternal, though sometimes brutal authority to which they had been accustomed through the centuries, without police, or law, or order; with armies

melted into chaos and an aristocracy of a thousand years at their feet; with paralyzed railways and industries and starving cities. It was a stupid though normally light-hearted peasantry groping amid the ruin of their country for land which they could not till and for liberties which they could not use; it was upon this chaotic mass of 180 millions that Kerensky tried to build up stable government with compromises which the people did not understand and a moderation which they would not have unless the force they were accustomed to was behind it.

Lenine and Trotzky brought to the masses looseness of rule with a strong and brutal power behind it; admitted the principle of acquisition without cost, of obtaining money without labour, of selling loot in land or property or valuables without dangerous consequences; they took charge of the press, assumed control of the banks, issued unlimited paper money; they talked all manner of sentimental idealistic rubbish while practising wholesale pillage and the murder of the classes owning money or property which, according to Maxim Gorky, included 10,000 executions in a few months; they claimed that the people were the workingmen or peasants and soldiers who had been either one or the other; they enacted in their Soviet Councils of Workmen and Soldiers a series of regulations or so-called laws which embodied in practice the four points of Bolshevism: (1) High and higher wages; (2) very little work; (3) the taking of other people's property; (4) no punishments and no taxes for the Bolsheviki. The body upon which this so-called Government of Russia rested was the All-Russian Central Executive elected by an All-Russian Congress of soldiers, workmen and peasant delegates. J. M. Sverdloff was President of the Executive, or, in official words, of the Russian Socialistic Soviet-Republic; Nikolai Lenine was President of the Council of Commissaries of the People or "Premier" and Leon Trotzky (Braunstein) Commissary of Foreign Affairs with Karl Radek as his Assistant; L. B. Kameneff was President of the Moscow Soviet; O. H. Zinovieff (Apbelbaum) was another leading official. Sverdloff, Trotzky and Kameneff were German-Jews. These men were German Socialists of the extreme Red or Marxian variety with Communism as their object and anarchy, controlled by themselves through force, as the net result; they were pro-German in practice and policy with the Brest-Litovsk surrender as the first and greatest proof; they were bitter in antagonism to the moderate, ordered, liberty embodied in British institutions and Allied principles of government. At this (1918) stage there was no Russia in the ordinary national sense of a name which had meant much in the history of the world; there were Bolsheviki governments in Moscow and Petrograd maintained by terrorism and similar or similarly-controlled communities scattered over a vast country. The Constituent Assembly elected late in 1917 with an anti-Bolsheviki majority which had been chosen in the teeth of every form of terrorism was "dissolved" early in 1918 by the illegal, autocratic will of Lenine who, in a farewell speech, told its members that it was impossible to

establish a Socialistic State without civil war. Following this event the Soviet Congress, elected by Soviets or Councils of workmen and peasants, in a large number of communities, met at Petrograd on Jan. 26, expressed confidence in the National Commissaries and approved certain declarations which Lenine had been unable to carry through the dissolved Assembly: (1) Validating the transfer of land to the poorer peasants; (2) establishing a Soldier's and Workman's Republic and authorizing confederation with similar republics; (3) the nationalization of banks and the repudiation of the National Debt; (4) electing by universal suffrage all the commanders or officers of the Russian Navy. The decision as to National Debts was as follows:

1. For the annulment of all State loans and of all guarantees given by the Government for the payment of open loans advanced by institutions and companies.
2. For the annulment, without exception, of all Foreign loans.
3. That short term bond issues of the State Treasury are valid, but no interest on them shall be paid.
4. That persons in moderate circumstances who possess Interior loans to a value not exceeding 10,000 roubles, face value, shall receive from the State a lifelong annuity equal to the interest on the securities.
5. That citizens possessing such loans exceeding 10,000 roubles shall not receive any recompense whatsoever.
6. That deposits in the State Savings Banks and interest on them shall be declared inviolate. All securities or annulled loans which belong to Savings Banks shall be replaced by an acknowledgement of debt.
7. That rules shall be formulated to reimburse and prevent loss to co-operative, municipal, democratic and other societies which possess repudiated securities.

Various decrees of the "Government" followed, including one which proclaimed that: "The right of land-owners to own land is hereby permanently abrogated without any exceptions. The property of land-holders as well as the lands of public corporations, monasteries and churches, together with their animate and inanimate subsidiary property, farm buildings and all their belongings, are hereby passed over into the hands of the local Land Committees and the District Council of Workmen's Delegates. The right of private land-holding is hereby abrogated forever; land can neither be bought, nor sold, nor rented, nor given as a pledge, nor in any other manner taken back. All the land of the State, district cabinet, church, monastery, public, peasants, etc., is to leave its owners and become the property of the nation and to be for use of those working on it." This confiscation did not apply to the property of "the common peasant"; another Decree annulled all mortgages over 10,000 roubles ($5,000).

Despite this and other formidable decrees the Government, so far as it was one, ruled in scattered centres and villages by force of well fed, well paid Red Guards, by consistent terrorism and constant appeals to the lower instincts of the most ignorant masses whom they could reach. Elsewhere, and in organized opposition to this class-madness were large sections of population in the Ukraine, which comprised all the territory south of Moscow to the

Black Sea, with its capital at Kiev; the Don Cossack Republic, comprising the Don district and the Government of Astrakan with its capital at Novocherkask; the northern part of the Caucasus mountains formed into a republic with its capital at Yekaterinodar; the Trans-caucasian Republic, made up of territory in the southern part of the Caucasus between the Black and Caspian Seas, bordering on Persia and Turkey, with its capital at Tiflis; the Turkestan Republic comprising territory stretching toward the frontiers of China and Afghanistan with its capital at Tashkend; the Republic of Siberia, comprising the vast regions stretching up to the Pacific with the capital at Tomsk. There were many fluctuations in frontiers and new republics from time to time with shadowy names and powers but these, with Finland and the Far North, were the chief provisional divisions of the new Russia which the Bolsheviki could not control or could only partially influence.

The Brest-Litovsk Peace with the Teutons. But Lenine and Trotzky held the capital of the country, dominated certain large communities, imposed themselves upon the world by a continuous and far-reaching external propaganda. Aided by German elements in Petrograd, Moscow and other communities—those of the Baltic in particular—supported by German propaganda and money, backed by the unscrupulous use of force and terrorism, helped by the longing of the people for peace at any cost, these men were able to hold power, to carry Russia out of the War, and obtain a peace of capitulation to Germany which strengthened the latter's prestige, freed large armies for other uses and immensely relieved the constant strain upon her resources. Following the Armistice of Dec. 17th, 1917, arranged by Lenine for the Russians and General Hoffman for the Germans, negotiations had been suspended for a time so as to try and get the Allied Powers into the net. These were resumed on Jan. 11th, 1918, and continued into February. Differences naturally arose, as the Russians appeared to think that talk was all they needed to obtain their terms or to convince their own people that they expected to obtain them, while the Germans knew what they wanted and had the force and money behind them to obtain it. Again negotiations were suspended and the Russian delegates announced that they would meet the situation by not signing a treaty but would simply declare, as ended, the state of war with Germany and her Allies, and, simultanously, give orders for the complete demobilisation of the Russian forces on all fronts. Meanwhile, Trotzky had issued a message, addressed to the world in general, stating that the tacit acquiesance of the *Entente* bourgeoisie had enabled the German capitalists to impose upon the Bolsheviki terms which they could not accept! Therefore the latter could not think of continuing to make war against their German and Austrian "comrades," and orders had, accordingly, been issued for the complete demobilisation of the Russian Army. For days the Russians continued

talking and, in a military sense lying down, while the German armies continued to advance into the country; on Feb. 21st the German delegates at Brest-Litovsk issued the terms upon which they would conclude peace and these, on March 3rd, were accepted and signed, though the German armies still continued to advance and on the 13th occupied Odessa; on the 14th the Peace Treaty was approved by a Conference of Russian Soviets at Moscow.

Its terms showed an extraordinary surrender of Russian rights, power and *prestige*. Russia agreed to complete the evacuation of the Anatolian provinces and return them to Turkey; she also consented to evacuate the districts of Ardahan, Kars, and Batoum. It was also agreed to give up Finland and the Aland Islands and, of course, the important Finnish ports. As to the Aland Islands, in particular, it was arranged to remove the fortifications with all possible despatch and a special arrangement was to be made between Germany, Russia, Finland and Sweden for the permanent non-fortification of the islands. Roumania was abandoned and the Armenians left to their fate; the British Allies were deserted and Germany installed as mistress of the Baltic and its surrounding Russian regions with 66,000,000 Russians more or less under their control. The Ukrainian Republic found it necessary, also, to accept peace on Feb. 9th and Finland on March 7th. Both countries for a time were dominated by German interests.

The Roumanians were now bounded on one side by the German-Austrian forces, on others by Russian territory and the hostile Bolsheviki, its sea outlets were in the hands of the Turks and Bolsheviki, there was nothing left but Peace negotiations and submission. On May 7th, therefore, the Peace of Bucharest was signed by the Central Powers and their Allies with unfortunate Roumania. The terms were very hard and provided (1) that Roumania should renounce indemnification for damages caused by German military measures—including all requisitions and contributions; (2) that within six months after the ratification of the Peace Treaty Roumania would redeem out of her own means, with notes of the Roumanian National Bank, or other legal means of payment, the notes issued by the Banca Generale, on the order of the Occupation Administration, and would not put them into circulation again; (3) that Roumania would indemnify the Germans for all damages suffered by its people on their territory as the result of German or Bulgarian military measures and also for losses suffered by Germans in respect to undertakings in Roumania; (4) that Roumania would indemnify neutral nations for damage caused to them on Roumanian territory as a result of German military measures; (5) that Germans who were in the Roumanian public service before the War, and who were dismissed as enemy foreigners should, on their request, be restored to equal rank and equal salary, or if this was impracticable, should be given fair compensation; and (6) that certain rights should be accorded to German churches and schools in Roumania.

Bolshevism and Socialism in Operation. The situation in Russia was thus cleared for the operations of the Lenine-Trotzky Government—for a policy of reconstruction had they been statesmen, for, as it turned out, new elements of chaos, new forms of national disorder and terrorism, new methods of graft and corruption. The conditions which followed defy description. There was war and civil strife everywhere; there was continuous Bolsheviki propaganda with food and booty for Bolsheviki classes or soldiers and starvation or slavery for all others. The situation was well illustrated by a Resolution passed at the end of July at a meeting of the Executive Soviet Council, and Moscow Council of Soviets and Workmen's Associations, after speeches by Lenine and Trotzky: "Vigilance must be increased against the Bourgeoisie, who everywhere are joining the counter-revolutionists. The Soviet Government must protect itself, and to that end the Bourgeoisie must be placed under control and mass terror put into practice against them; the general watchword must be death or victory, with mass expeditions for bread, mass military organization, the arming of workmen, and the exertion of all strength to fight against the counter-revolutionary Bourgeoisie." By this time lack of organized transportation, caused by the refusal of workmen to work, had produced a food shortage, and lack of production caused by the peasants preferring to talk about their new land seizures rather than to crop them, caused further privation and misery as the months passed. Naturally, such conditions created and stabilized new forms of opposition to the Government which were designated counter revolutions; one of the difficulties faced by the Socialists was described by Lenine on June 24th when he told the Executive (Soviet) to organize the poor peasants in campaigns against rich peasants, and ordered the despatch of Red Guards to industrial villages to better organize the workers; another by the ring of hostile forces which was steadily surrounding Bolsheviki Russia and which included General Semenoff in Siberia, General Krasnoff in the Don region and an advancing Czecho-Slovak army of former prisoners.

These and other obstacles were got over or around from time to time and even the proof published in the United States during September that Lenine and Trotzky had been in German pay either did not reach the people or did not appeal to them—apparently the former. On Sept. 15th and later dates, the Committee of Public Information at Washington officially made public a mass of documents proving, as conclusively as such things can be proved, that both their leader and other Delegates at Brest-Litovsk were corrupted by German gold. Original manuscripts and photographic reproductions were included in the 70 published documents. One marked "very secret" and numbered as "Document 28" was typical of the others and was a photograph of a letter from the President of the German Imperial Bank to the Bolsheviki Commissary of Foreign Affairs as follows:

"Information has to-day been received by me from Stockholm

that 50,000,000 roubles of gold have been transferred to be put at the disposal of the People's Commissaries (the title of the Bolsheviki leaders). This credit has been supplied to the Russian Government in order to cover the cost of the keep of the Red Guards (the Bolsheviki revolutionary troops) and agitators in the country. The Imperial Government considers it appropriate to remind the Soviet of People's Commissaries of the necessity of increasing propaganda in the country as the antagonistic attitude of the south of Russia and Siberia to the existing (Russian) Government is troubling the German Government." The Committee in its review of these documents—collected for the U. S. Government by Edgar Sisson in Russia—indicated that the purchase of Russia and its control by Lenine and Trotzky cost the German Government $25,000,000. Plots between Trotzky and General Hoffman to break up the unfortunate Roumanian army—involving also Joffe the Bolsheviki leader, who later tried to set Berlin on fire—and all kinds of instructions and schemes showing concerted action between German spies and officials and the Bolsheviki Ministers were described or quoted. As to the rest, the following from the Committee's conclusions will be sufficient:

> They show that the Bolshevist revolution was arranged for by the German General Staff and financed by the German Imperial Bank and other German financial institutions. They show that the Treaty of Brest-Litovsk was betrayal of the Russian people by the German agents, Lenine and Trotzky; that a German-picked commander was chosen to defend Petrograd against the Germans; that German officers have been secretly received by the Bolsheviki Government as military advisers, as spies upon the embassies of Russia's Allies, as officers in the Russian army and as directors of the Bolsheviki military, foreign and domestic policy. They show, in short, that the present Bolsheviki Government is not a Russian Government at all, but a German Government, acting solely in the interests of Germany and betraying the Russian people, as it betrays Russia's natural allies, for the benefit of the Imperial German Government alone. And they show also that the Bolsheviki leaders, for the same German Imperial ends, have equally betrayed the working classes of Russia whom they pretend to represent.

Meanwhile, the Red Guards, or Bolsheviki army, was being filled up by a new species of recruiting—the only people sure of food supplies being the soldiers and the Bolsheviki; other schemes included the importation of Chinese coolies previously engaged by the Czar's Government to work mines in the Ural, or harvest crops in the Volga regions, to join the ranks. Of real organization, outside the Soviet or similar bodies of talking Socialists from the village Mirs, there was little. The strong men of Russia in the War or under Kerensky—himself a weak though well-intentioned man—had by this time been killed, expelled the country, or driven to earning their bread by selling matches or shoe-laces. The Grand Duke Nicholas was in precarious hiding and Alexieff, Korniloff, Brusiloff, Ruszky, the other great leaders in the war, had been murdered or were reported missing; Prince Lvoff and Miliukoff, the moderate leaders with Kerensky, had escaped abroad. Leaders, even of the old-time Nihilists—the revolutionists of other days—found the Bolsheviki too much for them and amongst these

Mme. Breshkovskaya, Boris Savinkoff, Burtseff, I. G. Tseretelli, G. Plekhanoff, Maria Spiridonovo, Prince Kropotkin and Maxim Gorky were in opposition while Ilya Tolstoi, son of the famous Socialist writer, denounced the wild excesses of the time: "I know of innumerable instances where the peasants have burned entire farms, manor-houses, wheat stores, with thousands of tons of wheat, as well as homes with priceless collections of paintings, libraries and tapestries which had been accumulated through the centuries, by many generations of our oldest families."

Assassination of the Russian Czar. The most memorable of all Bolsheviki crimes was the murder of the former ruler of all the Russias. Coming to the Throne by hereditary, traditional, and historic right, trained to regard himself as the supreme ruler of Church and State, surrounded during a life-time by Oriental pomp and respect combined with Western luxury, the Czar Nicholas II was not primarily responsible for conditions in Russia. They were, fundamentally, the product of centuries and the outcome of a national character far more fitted for autocratic rule and for obedience to a great "Little Father" than for the practice of a democracy which they did not understand or the leap of a day into self-government which only the gradual operations of many decades of guarded application could have made successful. In Douma and in Cabinet the Czar had done something along these lines but German plots and plans did not wish him to succeed; in the War everything was against him—the natural easy-going corruption of the Russian nature, the national inability to organize, the continuous propaganda of a deceitful enemy, backed up by millions of German-Russians and by Russian leaders of German origin.

He was not a strong man but he was honest and patriotic, religious to the verge of superstition, moral and domesticated in manner of life, well-meaning in the highest degree, tempering justice or beaureaucratic severity with mercy whenever opportunity permitted, a lover of international peace, an earnest believer in Russian power and greatness. The weaknesses of his German wife were his misfortune, not his fault. From the Allied nations for whom and with whom he and his soldiers had fought amid enormous difficulties; from France, which they had saved from ruin upon two occasions by victories in Galicia and Poland, from Britain and her Empire for which the same campaigns had probably preserved Calais; nothing but sympathy in his misfortunes was due—though very little in press or platform was ever given. His overthrow, the greatest of all disasters to a friend and to an Allied nation, was received in the democracies of the world with pæons of exultation over the fall of autocracy and the birth of a great new democratic state! The dominant result was a prolongation of the war by many months, additional casualties to the Allies, or indirect war-deaths, of millions of persons, the plunging of 180 millions of Russian people into misery and chaos.

To the personal catastrophe involved in the overthrow of the Czar was added every possible humiliation to himself and his family; the constant danger of further degradations and cruelties at the hands of ignorant and only half-civilized mobs or the autocratic cruelty of demagogues in power. For a while Kerensky held back the worst possibilities; with the rise of the Bolsheviki nameless humiliations were in store for what some British and all American and Canadian papers styled Nicholas Romanoff and his family. Early in 1918 they were removed from Tobolsk to Ekaterinburg, near the Asiatic side of the Ural Mountains. Life was made as dreary, as monotonous, as crude and cruel in detail, in the absence of all comfort, and in deprivation even of clothing and decent food, as it was possible to make it. Even one of the Red Guards was touched by the situation, and wrote from Tobolsk to a Geneva friend that: "The attitude of the Czar when he is alone is full of calm and simple dignity but as soon as he thinks that he is no longer observed he gives way and walks with bent head. His hair has become as white as snow and his face is filled with a painful melancholy."

Then came to the outside world innumerable stories of the murder of Nicholas and his family with details of appalling horror. These details were conflicting and it is possible that the exact methods of murder will never be fully known; that they were brutal to a degree, that the beautiful and cultured children of the fallen monarch suffered the agony of seeing their father shot or stabbed first, and then shared his fate, appears certain; that the wife—a woman born to greatness even if weak and superstitious in character—suffered cruel death seems clear. Even the most callous writers about this awful period in Russia might well have had a feeling of sorrow at such an end to a man who had shared in shaping modern history and whose efforts for good, if not strong and as autocratic as they might have been, were at least honest. Yet there was no expression of general sorrow in the democratic world for which his armies had fought and for whose future he had lost throne and life and family. Much comment was illustrated in that of the Toronto *Globe* (June 28) which, admitting the Czar to have been more the victim than the master of a ruthless beaureacracy, declared that, if the report of his death were true, "humanity will not shudder over the fate of a fallen despot." The excuse of the Bolsheviki Government for the crime was the alleged discovery of one of their continuous and convenient counter-revolutionary plots—the reason given for all their offences against decency or humanity. The killing of the family was denied but afterwards, apparently, proven.* The official statement made public on July 21st was as follows: "The Presidency of the Central Executive Committee, having discussed the circumstances which compelled the Ural Regional Council to take its decision to shoot

*Note.—General Knox in a despatch from Vladivostock (Feb. 5, 1919) stated that the massacre of the Czar, Czarina and their 5 children was carried out in one room with revolvers; the doctor, maid, valet and cook were also murdered at the same time.

Nicholas Romanoff (July 16) accept the decision as being regular." Let the words of the Czar's statement of policy and instructions to his Ministers in October, 1905, following the Peace with Japan, show the policy he would have liked to carry out:

1. To confer on the population the immovable foundations of civil liberty, including inviolability of person, liberty of conscience and freedom of speech, together with the right of holding public meetings and forming associations.
2. To create a State Douma containing representatives of the unenfranchised classes.
3. To lay down as an absolute rule that no law shall be valid without the approval of the said Douma.

As to the rest, Sir George Buchanan, who was British Ambassador at Petrograd from 1910 to 1917, declared in a speech after the Czar's death that: "He loved his country, and sincerely desired the happiness of his people. It is absolutely untrue that he ever contemplated making a separate Peace. Up to the very day of his abdication he was as determined to stand by the Allies and to fight out the War to a victorious finish as he was in the autumn of 1914, and when he made that diversion in East Prussia which relieved the German pressure on Paris at a cost of 200,000 of his best troops, he was a true friend and loyal ally of this country. I know as a fact that in the summer of 1916, when the German Emperor tried to seduce him by arguments based on their mutual dynastic interests, he absolutely refused to listen. The private life of the Emperor was simple and above all reproach. He was never so happy as when surrounded by his children. His last thoughts were for his wife and his innocent children."

Bolsheviki Relations with Other Countries. Meanwhile the Republic of the Ukraine with its population of about 23,000,000, its vast area of fertile lands and great cities of Kiev, Odessa, Kharkov and Kherson, was passing through strenuous struggles with Bolsheviki attack, both internal and external, German military occupation in part and menaces, influences and efforts everywhere, internal difficulties and conflicts and disorders of all kind. Of the leaders Generals Skoropadski and Denikine stood for the classes and land-owners and for close relations with a future federated Russia; General Petlura stood for the peasants, socialism and complete independence. At the close of the year Petlura was in control and the Germans ousted from military power or political position. In Finland a long civil war between Red Guards or Bolsheviki and combined elements of law and order developed with a sinister background of pro-Germanism and German propaganda. Siberia under General Horvath's leadership, with the aid of the Allies and of Czecho-Slovak forces, managed to hold its independence as a whole; the country of the far north, covering a wide region around Archangel, also cleared itself of Bolsheviki power—with some Allied help—and declared its aim to be a regenerated and united Russia. Closely associated with

such current developments were the relations of these distracted regions with Germany and the British Allies. The position of Great Britain before and after its landing of troops at Vladivostock on Aug. 3rd, was simple; it detested intervention in the internal affairs of any country but could not let Russia be built up by German influence and soldiers, with Bolsheviki forces, as a great hostile Power. At this date therefore, a "Declaration of the British Government to the Peoples of Russia" was made public which stated that:

> Your Allies have not forgotten you. We remember all the services which your heroic armies rendered us in the early years of the war. We are coming as friends to help you to save yourselves from dismemberment and destruction at the hands of Germany, who is trying to enslave your people and to use the great resources of your country for her own ends.
>
> But we wish solemnly to assure you that, while our troops are entering Russia to assist you in your struggle against Germany, we shall not retain one foot of your territory. We deplore the civil war that divides you and the internal dissensions that facilitate the German plans of conquest. But we have no intention of imposing on Russia any political system. The destinies of Russia are in the hands of the Russian people. It is for them, and for them alone, to decide their form of government and to find a solution for their social problems.
>
> Peoples of Russia! We want not only to stem German penetration, but to bring economic relief to your ruined and suffering country. Some supplies we have sent, and there are more to follow. It is our wish to aid the development of the industrial and natural resources of your country, not to exploit them for ourselves—to restore the exchange of goods, to stimulate agriculture, and to enable you to take your rightful place among the free nations of the world.

During this year the Bolsheviki were really at war with Britain and her Allies; of this the murder of Captain Cromie, British Attaché at Petrograd, and sacking of the Embassy, were illustrations; the arrest, imprisonment and ill-treatment of other British officials further proof. As to this and the sending of Allied troops to Vladivostock, Murmansk and Archangel, Lord Milner, British Secretary for War, issued a statement on Dec. 18th which cleared the air of many crude criticisms: "The reason why Allied, not merely British, forces were sent to Russia is that the Bolsheviki, whatever their object, were in fact assisting our enemies in every possible way. It was owing to this reason that hundreds of thousands of German troops were let loose to hurl themselves against our men on the Western front. It was owing to their betrayal that Roumania with all its rich resources in grain and oil fell into the hands of the Germans. It was they who handed over the Black Sea fleet to the Germans and who treacherously attacked the Czecho-Slovaks when the latter only desired to get out of Russia in order to fight for the freedom of their own country in Europe."

As to results the Minister pointed out that vast stores had been saved from falling into Bolsheviki hands while rioting and anarchy were stopped in great areas: "The Czecho-Slovaks were saved from destruction. The resources of Siberia and South-eastern Russia were denied to the enemy. The ports of European Russia

were prevented from becoming bases for German submarines from which our North Sea *barrage* could have been turned. I say nothing of the fact that a vast portion of the earth's surface and millions of people friendly to the Allies have been spared the unspeakable horrors of Bolsheviki rule." As to the future, he was explicit: "If the Allies were all to scramble out of Russia at once the results would certainly be that the barbarism which at present reigns in a part only of that country would spread over the whole of it, including vast regions of Northern and Central Asia." The policy of the United States in this connection was a curious one. It held back Allied intervention as long as possible and as late as Mar. 12th, 1918, President Wilson officially recognized the Bolsheviki by cabling the following message:

> May I not take advantage of the meeting of the Congress of the Soviets to express the sincere sympathy which the people of the United States feel for the Russian people at this moment when the German power has been thrust in to interrupt and turn back the whole struggle for freedom and substitute the wishes of Germany for the purposes of the people of Russia.
>
> Although the Government of the United States is unhappily not now in a position to render the direct and effective aid it would wish to render, I beg to assure the people of Russia, through the Congress, that it will avail itself of every opportunity to secure for Russia once more complete sovereignty and independence in her own affairs and full restoration to her great *rôle* in the life of Europe and the modern world.

A long controversy took place as to whether Japan should share in the intervention or by its own action relieve the Allies of a huge and unpleasant responsibility. This latter policy the United States would not agree to and, finally, a joint intervention of limited character was decided upon with the following official basis stated at Washington on Aug. 5th: "The only present object for which American troops will be employed will be to guard military stores which may subsequently be needed by Russian forces and to render such aid as may be acceptable to the Russians in the organization of their own self-defence." A cablegram of Aug. 22nd stated that the Bolsheviki considered themselves to be at war with the United States. Of the Allied forces landed in the East General Kikuzo Otani of the Japanese army was Commander-in-chief in Siberia. Maj.-Gen. W. E. Ironside commanded at Archangel, Maj.-Gen. C. C. M. Maynard, D.S.O., at Murmansk. Maj.-Gen. S. S. Graves was the American commander at Vladivostock and Maj.-Gen. J. H. Elmsley, C.M.G., D.S.O., the Canadian commander. Prince Lvoff, the first head of the Revolutionary Government after the Czar's overthrow, was in Washington on Nov. 22nd, and made the following statement: "Instead of peace they (the Bolsheviki) gave never-ceasing war; instead of bread, hunger without precedent in Russia; instead of liberty, a bloody tyranny such as we never knew in the worst years of the reign of the Czar. The Bolsheviki are indulging in a perpetual revolution. Their aim is universal social eruption. They are interested in Russia chiefly as a hearth where they may keep up by all means the world's conflagration. I deem the intervention of the Allies is

dictated not only by pure compassion for the victims of Russian Bolshevism, but by political foresight as well."

To meet this situation, within and without, what was the Foreign policy of the Bolshevist Government? It was one of Communist propaganda and class hatred carried with a Red Flag and the sword into all lands; it was thought of as representing Russia though, in reality, the large and important Republics of Siberia, Finland, Ukraine and the Crimea, with other lesser ones, were slowly cut from Bolshevist control; it was a merciless effort to undermine every species of respect for every form of government and to encourage hatred of everyone except Bolshevist workers, or rather the men who lived upon the workers. At the same time there was every effort to keep in touch with the German autocrats as there was, later on, with the German Socialists while there was, also, continued denunciation of the *Entente* Allies as capitalistic robbers, etc. For home consumption, for the gullible Russian peasant, there was around the Brest-Litovsk period much public denunciation of Germany—largely by the men with German money in their pockets and German spies in their service. An illustration of this internal propaganda was the official statement signed by Trotzky on Feb. 12th and following the feeble effort to evade signing Germany's Peace terms:

> The peace negotiations are at an end. The German capitalists, bankers and landlords, supported by the silent co-operation of the English and French bourgeoisie, submitted to our comrades at Brest-Litovsk, conditions such as could not be subscribed to by the Russian revolution. But we also cannot, will not and must not continue a war begun by Czars and capitalists in alliance with Czars and capitalists. Russia, for its part, declares the present war with Germany and Austro-Hungary, Turkey and Bulgaria at an end.

The German comment was General Hoffman's declaration on Feb. 16th that the state of war between Germany and Russia would be resumed on the 18th. The Bolsheviki used some vivid language—and then concluded peace on the terms set before them with about one-quarter of the Russian Empire and one-third of its population handed over to German control or influence. The people of the Ukraine and Finland preferred German control for a time to that of the Bolsheviki, and had to suffer every form of outrage and murder; Siberia would have neither of these forces, and Siberia included the Tobolsk, Tomsk, Yenessei and Irkutsk regions with an area of 3,894,000 square miles; other parts of Asiatic Russia, it may be added, included the Steppe region of 714,000 square miles while the Russian Far East included Amur, Kamchatka, etc., of 906,000 square miles—an enormous empire of territory and strange barbaric peoples whom no Bolsheviki organization could touch and whom only an autocratic government could control or rule. In June the Soviet Government recognized the German control of Russian Poland in a document which was treason to every principle of self-determination and liberty and which included the following summarized clauses: (1) The Polish policy shall be conducted by Germany; (2) the Russian Govern-

ment pledges itself not to interfere with the organization of Poland; (3) the Russian Government may keep in touch with democratic and revolutionary clubs in Poland through agitators known to the German Information Bureau; (4) Russia pledges itself to recognize the new state of things to be created by Germany and Austria in Poland and to defend it against Russia's former Allies.

While Germany was thus playing with the Bolsheviki in Central Russia she was playing also with the Cadets or constitutional Democrats in the Ukraine under Miliukoff and General Mannerheim and in the Crimea. But the main concern of the Bolsheviki was the destruction of all government, excepting their own kind, and they did not care about Germany's policy further than to get its money and retain freedom of propaganda. Hence the Red Guard atrocities in Finland, the Bolsheviki crimes at Riga and Helsingfors and Odessa and in parts of Siberia; hence the plots throughout Germany and Austria after the overthrow of their Governments; hence the imprisonment or flight of *Entente* and United States Consuls or representatives and the murder of the German Ambassador, Count Von Mirbach, and the British Attaché Captain Cromie, D.S.O. The opposing elements hoped much from Allied intervention but did not get a great deal; some of them coquetted with the Germans in preference to submitting to anarchic conditions; the Cadets appealed in June to the British Allies and declared the Bolsheviki to be "in no way representative of the Russian democracy, and their rule to be an oligarchy, demagoguery and despotism, which relies only on physical force and daily becomes more and more odious to the popular masses."

Internal Conditions under the Bolsheviki. The repudiation of the Russian National Debt—except the obligations to Germany, which were guaranteed at Brest-Litovsk—evoked in February keen protests from representatives of the Allied Powers and Neutral nations. The total of Foreign investments in State securities and Russian enterprises was placed at $4,000,000,000 of which 3,000 millions were French with, also, $4,200,000,000 of War advances, of which 3,000 millions were English. In this latter connection the Russian rouble depreciated from 51 cents during the war to 14 cents in 1918. As to "money" the Government issued it as fast as printing presses could rush it off; D. R. Francis, U.S. Ambassador to Russia before the Senate at Washington* estimated the total at 50,000,000 roubles or $25,000,000 a day prior to his leaving Petrograd; villages, towns and districts taxed their people as they chose so that direct central taxation was impossible; during the year 1918, the National expenditures of the Council of Peoples' Commissaries was 46,000 million roubles and the revenue was 14,000 millions (of which 10,000 was impossible of collection), the nominal deficit was 32,000 millions or about $16,000,000,000—really it was much greater.

*Note.—Mch. 8, 1919.

Under such conditions industries naturally died—from lack of capital, from excessive wages coupled with little or no work, from lack of fuel or raw material, from the stealing of tools and parts of machinery for sale by the workmen. Everything was nationalized and in 500 factories and mills at the end of 1918, 1,000 million roubles were advanced by the Government to carry on business; banks were either entirely looted or else the President and Directors dismissed and workmen put in charge. Conditions in Russia were indescribable as to Petrograd and Moscow; varying elsewhere as local production of food might be large or small; depending chiefly upon the power to hold or take and upon the class to which one belonged. As to prices, when such things could be obtained at all, they ran for instance from $500 for a suit of clothes, $8.00 a pound for tea, $4.00 each for apples, $2.50 a dish for soup, etc.; in Petrograd during July bare necessaries of life were $25.00 a day. Contagious diseases were rife owing to the absence of all sanitation, the elimination of all regulations as to cleanliness, the sparcity of medical men—who were of the *bourgeoisie* and therefore "suspect"; typhus and cholera raged unceasingly because of these conditions, the eating of rotten fish or the lack of food altogether, while in such hospitals as remained, the menial workers ruled the physicians and nurses. Burials cost many hundreds of dollars so that victims were carted to the cemeteries of Petrograd or Moscow wrapped in old newspapers and left unburied—until the one-time rich men of the city were commandeered to the terrible task on pain of death.

In another connection the London *Times* correspondent from Petrograd (Aug. 14th) wrote that: "During the past two weeks thousands—some say 12,000—retired or dismissed officers have been arrested and removed in barges to Kronstadt, where they are compelled to load coal on to war vessels. They are fed on the very lowest minimum of food, and subjected to other cruelties." The same journal (Oct. 4th) quoted a statement that in the whole French Revolution not as many aristocrats were slaughtered as there were *Bourgeoisie* during the previous month in Russia. There were only a few Bolshevist newspapers allowed and they printed merely what the Soviet Government gave them or permitted; what were termed "intellectuals"—writers, professors, professional men (except physicians) clergy, officers, higher class business men, brokers, financiers, etc.—could only live by doing the most menial work, and, of course, had everything taken from them; women suffered horribly unless they were the wives of approved Bolsheviki workmen and then they revelled in rich furniture and rare laces and luxuries with which they filled their huts and outhouses; morally the situation was often indescribable with women of the better classes wearing the dirtiest rags—even if they had any better clothes left—as a means of personal protection while there were varied attempts at crazy edicts and regulations, general or local, affecting marriage. There was no doubt as to this fact despite denials. The following, for instance, enacted by

the Bolsheviki Soviet of Vladimir, published in a local organ called *Investia* and re-published by the *New Europe,* a high-class periodical, on Oct. 31, 1918, illustrates the situation:

> A girl having reached her 18th year is to be announced as the property of the State. Any girl having reached her 18th year, and not having married is obliged, subject to the most severe penalty, to register at the Bureau of Free Love in the Commissariat of Surveillance. Men between the ages of 19 and 50 have the right to choose from amongst the registered women, even without the consent of the latter, in the interests of the State. Children who are the issue of these unions are to become the property of the State.

The city of Havolinsk and vicinity was another Bolshevist centre of this type.* Maxim Gorky, a one-time Nihilist, declared in his Petrograd *Novaya Zhizn* (which did not last long) that soldiers on returning from the Crimea after becoming Socialists had brought a large number of female slaves with them and that at Theodosia a regular slave market was held, the supply being so large that prices soon fell from 100 or 150 roubles to 25 or 30 roubles per slave! These soldiers determined to aid in the destruction of the *Bourgeoisie.* At first they massacred the inhabitants of the two most *bourgeois* streets in Sebastopol; then they turned upon Simferopol and afterwards attacked Eupatoria. As to religion the Bolsheviki would have none of it. They plundered and wrecked the world-famed, splendid, Kremlin of Moscow which for centuries had been the centre of Russian religious life and so, also, the exquisite Uspenski Cathedral; the German Jews, who so largely led the Bolsheviki, tried to make their Communistic socialism a form of religion and, in truth, made some natural appeal to the mysticism of the Russian nature; churches and shrines in various places were looted and desecrated in every possible way even while the masses of the people were pouring into the sacred buildings as a whole and showing a greatly revived faith. The Church, itself, did not reveal the power or wield the influence which it should have done, though a gradual process of recovery showed itself in 1918.

The Campaigns of 1918; British and Allied Operations.

Details of the gigantic conflicts of 1918 can hardly be given here. They were wide in the extent of front covered, vast in the distances between struggles of East and West and in the number of Submarine fights upon the oceans of the world, desperate in character and vital in consequence to the future of all nations and races. In and up to the middle of the year the Germans in France and Belgium had a majority in men, an immense mass of cannon and artillery of every kind, a new gun which was one of the sensations of the War and which bombarded Paris with ease from a distance of 40 miles, a united command unhampered by national divergencies and deficiencies, with Von Hindenburg and Ludendorff

*Note.—General Poole reported to the British War Office (Jan. 11, 1919) that in various towns of Central Russia these conditions were enforced and respectable women flogged into submission.

in successive and supreme place under the Kaiser, a confidence born of deception amongst the soldiers and the lower ranks of the population, an under-estimate of Allied strength amongst the leaders and a grim determination to win at all costs amongst those in the higher seats of power.

On the side of the British Allies there was a popular and soldierly consciousness of inferior strength but a super-confidence in final success; amongst the leaders a realization for a time that the situation was at best dangerous and at worst might involve the sacrifice of either Paris or the Coast or, in some desperate cast of fate, the loss of both; a general feeling that conditions not clearly understood, but with results very obvious, might make United States' intervention too late to prove an efficient balance to the Russian collapse. Despite these ups and downs of thought and more serious fact there was, however, a fundamental force in the strangle-hold of the British Navy, a vigorous and continuous pouring in to France of supplies and armament and men from Britain, a steady accession of American armies of untrained men who were brigaded with British, Canadian and French troops or held in training reserve.

As far as possible the German smash-forward of March 21st was prepared for but the preparations were insufficient to meet that tremendous onslaught of men and metal. According to F. H. Simonds, the *N. Y. Tribune* correspondent (Aug. 20, 1918) there were 220 German Divisions against 188—of whom 180 were French and British; as to guns a concentration from the Russian and Italian fronts—released from Austrian armies in the former case and captured from Italians in the latter—made the greatest combination of Artillery ever known. Mr. Simonds after reference to the element of surprise involved declared that in the ensuing March, April and May advances the Germans won victories unprecedented in a war of positions. In all of the battles there was a monotonous record of successes achieved by the massing of superior numbers at a decisive point. In the 2nd Battle of the Somme, in March, the Germans used 110 Divisions against 81 by the Allies, and in the first thrust they had 40 against 15. At the Lys, in the Flanders fighting of April, 40 German Divisions were used against 38, but the Allies could only bring up this approximately equal number after a long delay and an initial disaster. At the Aisne, in May, 20 German Divisions overwhelmed 7 French and British.

During this time, however, the Germans were suffering heavy casualties; their 2,500,000 of more or less fresh men, of armies which had been re-organized, strengthened, and rested, were being steadily depleted, with reserves growing steadily weaker; they were advancing, taking places and centres of historic or strategic importance and winning victories upon the surface while getting weaker and weaker below the surface. Meantime Great Britain had recalled Divisions from Palestine and Salonika and Italy, had drained garrisons everywhere and got more men from Canada

and other parts of the Empire while Haig and his men, at one stage in the German advance, stood literally and avowedly with their backs to the wall; France had withdrawn troops from Salonika and Italy and the Americans had managed to put 170,000 men into the 2nd Battle of the Marne. By August or the 4th anniversary of the War, 220 British, French, American and Belgian Divisions faced the now retreating Germans while 35 United States Divisions were in training. The following table gives a summarized view of these pivotal campaigns of the War, the greatest battles of all history:

The Five German Drives.	Date Launched	Initial Front in Miles	Miles Gained 1st Day	Miles in 2nd Day	Maximum Advance	Date of Termination.
Picardy	March 21	50	6	6	35	March 30
Ypres	April 9	30	4	2	10	April 15
Aisne	May 27	25	5	7	32	June 1
Oise	June 9	21	3	2	6	June 15
Marne (2nd)	July 15	80	2	0	2	July 16
The Two Allied Drives.						
Marne (3rd)	July 18	28	8	2	22 To Hindenburg Line	Aug. 5
Somme (3rd)	Aug. 8	20	6	4½		Sept. 15

In March the first German success had been enormous and rapid with the British Armies as the centre of attack and the destruction of the southern part of their forces, the driving of a gap between the British and French, the rolling of the former back through Amiens upon the Coast, and the French upon Paris, as the strategic plan of operations. Some of these objects were gained in titanic, smashing, blows following upon the surprise and defeat of Gough's 5th Army in a struggle where Battalions fought German Divisions and a retreat was inevitable. One of the crises in the War followed, the British were driven back, fighting for every foot of soil, until strategy compelled a wide retirement. At this juncture Mr. Lloyd George wrote to Lord Reading a letter which the latter made public at New York (March 27th) in these terms:

We are at the crisis of the War, attacked by an immense superiority of German troops. Our army has been forced to retire. The retirement has been carried out methodically before the pressure of a steady succession of fresh German reserves which are suffering enormous losses. The situation is being faced with splendid courage and resolution. The dogged pluck of our troops has for the moment checked the ceaseless onrush of the enemy and the French have now joined in the struggle. But this battle, the greatest and most momentous in the history of the world, is only just beginning. Throughout, the French and British are buoyed up with the knowledge that the great Republic of the West will neglect no effort which can hasten its troops and its ships to Europe.

Another British army was driven back until historic Ypres was in view and Field Marshal Haig issued his famous Order of Apr. 12th: "Every position must be held to the last man. There must be no retirement. With our backs to the wall each one of us must fight to the end." In the three great German advances of these months they claimed 145,000 prisoners, 2,000 guns and a conquest of at least 2,000 square miles. All this achievement was in the period of their fresh strength and of British inferiority in numbers; it lasted roughly from Mar. 21 at the opening of the 2nd Battle of the Somme to the end of 3rd Battle of the Aisne. Then came the great drive on Paris which, as in 1914, reached the banks of the Marne but was held by French and Americans at Chateau Thierry while the Italians on June 23rd drive back the Austrians on the Piave with 155,000 of enemy losses. Marshall Foch, in supreme command of the Allied Armies since Mch. 30th, began on July 18th his great counter offensive. Rapidly the situation changed and 70,000 German prisoners with 800 guns were captured while 1,000 square miles of territory were regained within a month. The British, including Canadians, crossed the famous Hindenburg Line north of the Scarpe (August 25), the 1st American Army stormed the St. Mihiel Salient, the British in Palestine smashed the Turkish Armies (Sept. 22), the Germans were driven from the Belgian Coast on October 18th, General Pershing and the Americans captured Sedan.

The War had now reached a stage in which whole countries surrendered, rulers abdicated and revolutions ruled. The year which had opened with prospects of a prolonged struggle on the Western front which might last into 1919 and perhaps 1920, with the Italian front in a dangerous military position and that of Mesopotamia uncovered by the collapse of Russia, had turned into conditions of triumph. From a defensive British and French campaign, the loss of much territory gained in four years of painful fighting, the capture of thousands of guns and prisoners by the Germans, the situation had changed so that in July-November the British alone had taken 188,000 prisoners and 2,840 guns and the Allies, altogether, a total of 385,000 prisoners and 5,000 big guns. When the German surrender came on the Western front four British armies were pursuing the retreating forces with earnest rapidity; several French and two American armies were also driving them steadily back upon German soil; the total of all Allied forces at all fronts on Nov. 11th was 13,366,000 officers and men while that of Germany (including its recently collapsed Allies) was 7,630,000.

The Supreme War Council of Versailles. This Council was one of the most important developments of the War in 1918. As a sort of governing body in the combined Allied operations it had taken various forms in earlier years but always with limited powers and control over the joint armies. Mutual advice and co-

operation, after discussions ranging from Rome to London, there had been but not a sufficient promptness of joint action to meet the single command of the Enemy forces. The meeting at Versailles on Jan. 30 to Feb. 2nd, was the third session of the body in re-organized form, and was of special importance because of the presence, for the first time, of a United States representative in the person of General Tasker H. Bliss, Chief of Staff of the American Army and the intention to more closely co-ordinate action and policy in face of the coming German offensive. The French Premier presided and there were also present Mr. Lloyd George, Lord Milner and Major-General Sir H. H. Wilson for Great Britain, Signor Orlando, Baron Sonnino and General Cadorna for Italy, M. Pichon, Foreign Minister and General Weygand for France. Generals Foch, Sir W. R. Robertson, Pétain, Haig and Pershing were also present at the military discussions. The official announcement on Feb. 4th was as follows:

> The decisions taken by the Supreme War Council embrace not only a general military policy to be carried out by the Allies in all the principal theatres of the War, but, more particularly, a closer and more effective co-ordination, under the Council, of all the efforts of the Powers engaged in the struggle against the Central Empires. The functions of the Council itself were enlarged, and the principles of unity and policy and action initiated at Rapallo in November last, received still further concrete and practical development. On all these questions a complete agreement was arrived at, after the fullest discussion, with regard to both the policy to be pursued and to the measures for its execution. Under the circumstances, the Supreme War Council decided that the only immediate task before them lay in the prosecution of the war with the utmost vigour and the closest and most effective co-operation of the military efforts of the Allies.

It was added that recent, so-called, Peace utterances in Germany and Austria did not approximate to essential peace conditions. No decision was stated as to unity of command. As was afterwards indicated the really vital decision was the creation of a moveable reserve of British, French, Italian and American troops which could be carried from point to point as needed. Then followed the vigourous movement for a united command, the retirement in England of General Robertson as Chief-of-Staff because he was opposed to the proposal, the victorious commencement of the German offensive, the announcement of a Supreme War Council meeting in London on Mar. 18 with the *Entente* Prime Ministers and Foreign Ministers present, a declaration that the Council would not recognize the Russian and Roumanian peace treaties with Germany, the additional statement that: "We are fighting, and mean to continue fighting, in order to finish once for all with this policy of plunder and establish in its place the peaceful reign of organized justice." On Mar. 30th the appointment of General Ferdinand Foch, who contributed so greatly to the victory of the Marne in 1914, was announced as Commander-in-Chief of the Allied forces on the Western Front. The official statement of the British Premier was this: "With the cordial co-operation of the British and French Commanders-in-Chief, General Foch has been

charged by the British, French and American Governments to co-ordinate the action of the Allied Armies on the Western front." At the same time General Pershing advised the new Commander as to the incoming masses of American troops that: "Everything we have is yours. Dispose of us as you wish."

Early in May a further session of the War Council on May 5 recognized, to quote the statement of the Italian Premier, Signor Orlando: "The unity of the front from the North Sea to the Adriatic, and that not only as an ideal aspiration, but as a concrete reality." The 6th meeting of the Council took place early in June and a statement issued on the 4th asserted that: "After a review of the whole position, the Supreme War Council is convinced that the Allies, bearing the trials of the forthcoming campaign with the same fortitude as they have ever exhibited in defence of the right, will baffle the enemy's purpose and in due course bring him to defeat." A declaration of sympathy with the Poles, Czecho-Slovaks and Jugo-Slavs was also approved. Complete confidence was expressed in General Foch, together with admiration for the bravery of all the Allied troops and thanks to the United States for the brigading of its troops with the Allied reserve force. At the 7th session in Versailles, Clémenceau, Lloyd George, Orlando, Pichon, A. J. Balfour, Milner and Sonnino, were present together with the military commanders and, for the first time, the Prime Ministers of Canada, Australia and New Zealand. The first German offensive had been resisted and, after congratulations to the Italians over the defeat of an Austrian offensive, on behalf of the Council, Premiers Clémenceau and Orlando expressed to the representatives of the British Dominions the thanks of the Allies for the services rendered by them on the battlefields of the War.

Speaking on Aug. 2nd at Belfast, Field Marshal Lord French referred to the great Allied victories and paid high tribute to General Foch: "We should do well to remember how this has all come about. It is because the hand of one great commander is at the helm on the Western front. Unity of command has at last been established, and the armies on the Western front are being led in unison by the greatest soldier that this war has produced—General Foch. I say we do well to remember it because the establishment of unity of command was in reality the work of our own Prime Minister." As these victories continued the question of an Armistice came up for settlement by the War Council and it was left in practical detail to the recently promoted Marshal Foch and his Army Commanders, with the members of the Navy Board. In October this matter came before the Council, of which President Wilson of the United States had become a voting member; the successive meetings, commencing at Versailles on Oct. 31st finally settled the terms, with Marshal Foch as the supreme authority in military details. They were finally accepted on Nov. 11th and the partial occupation of Germany followed.

So it was with the simultaneous operations which were directed by the War Council and Marshal Foch, from the Trentino to Vladivostock and were co-ordinated as a part of the plans in France and Flanders. The War against Austria in Italy with Italian, British and French troops; the War against Austria and Bulgaria in Macedonia, directed from Salonika, and including soldiers from all the Allies except the United States; the War against Turkey, directed chiefly by the British in Palestine and Mesopotamia, and the War in Siberia and other parts of Russia, aimed at German occupation and plans in those chaotic regions; were all in these months planned at Versailles as one great campaign. Under this direction, during 1918, Siberia—from July when Allied forces reached the Murmansk coast and August 21st when Japanese troops reached Vladivostock—was gradually cleared of hostile enemy interests and the Russian friends of the *Entente* provided with a nucleus of resistance against the Bolsheviki-German elements of chaos. General Allenby's campaign in Palestine, under these new auspices, recovered slowly from the defection of Russia and the consequent loss of splendid and experienced infantry Divisions to help the Western front defences. His organization and generalship in succeeding months met or checked the stimulated Turkish activities in the Caucasus and Persia, and on the way to India, through his great victory of Sept. 10th and the capture of entire Turkish armies in succeeding weeks. At this time, also, the Salonika occupation and apparent lack of military successes ended in an advance of British, Serbian and French forces into Bulgaria which compelled the Armistice asked for by this enemy nation on Sept. 25th and proved to be the beginning of the end.

Associated with this Supreme War Council in 1918 were four inter-Allied subordinate Councils dealing with shipping, munitions, food and finance and handling practically all the materials and commodities necessary for the Allied prosecution of the War. Pooling arrangements in many connections were entered into and production thus facilitated, competition controlled, distribution co-ordinated. Economic co-operation became closer as the year progressed, the resolutions of the Paris Conference of 1916 were much discussed, and conditions reached a stage when, as Lord Robert Cecil put it on July 14th in London, the alliance of 8 nations had expanded into one of 24: "It is no longer a question of forming some narrow defensive alliance, but of laying down the economic principles of an Association of nations which is already in existence, and to membership of which we are committed." The British Assistant Secretary for Foreign Affairs then approved some of President Wilson's 14 Points (Jan. 8th): "The removal so far as possible of all economic barriers, and the establishment of an equality of trade among all the nations consenting to peace and associating themselves for its maintenance." Hence, it was urged, the vital importance of these conditions in respect to the League of Nations' proposal and the Peace Conference. There was, it may be added, an Inter-Allied Naval Council, also, of which Sir

Eric Geddes, the British 1st Lord of the Admiralty, Admiral W. S. Sims, U.S.N., Admiral Sir R. E. Wemyss and representatives of France, Italy and Japan were members; the Inter-Allied Maritime Transport Council was another important body with large powers in the disposition of available inter-allied tonnage for war purposes.

Marshal Foch and the Allied Command. The strategical ideas of the Supreme War Council at Versailles, and the great conceptions of the united command under Marshal Foch contributed largely to the results of 1918. The Council had been created after the Italian reverses late in 1917; the appointment of Generalissimo was made at the beginning of the British and French reverses of the following Spring. From out of divided and at times confused counsels in the Allied command came strategical co-ordination and concentration; from April to July, in the midst of turmoil and disaster, Marshal Foch worked out his plans of victory; from July to November he and the Allied troops won the War. As the London *Times** put it in describing the ultimate result of this appointment:

> There was no interference with the Army commands, and the principle operated in no case as a supersession. But for the first time in the War it placed the general development of the Allied strategy under a single mind, and removed the great disadvantage under which the Allied cause laboured as compared with that of the enemy. The appointment was not carried through without considerable opposition, which, however, worked under political inspiration rather than under that of any responsible general in the field. Certainly, the new command when it was established, was worked without difficulty and with the utmost loyalty by the British command.

The appointment was not an easy one to make, the jealousies in the way were many and some of them not unreasonable, the British character was not one which fitted comfortably into foreign control—even of the most friendly and allied nature. But Mr. Lloyd George had been insistent upon the point for months, the impending German aggressive had won over the Supreme War Council and when the enemy blow fell on Mar. 21st with shattering strength, the appointment of Marshal Foch followed on the 26th and was thus announced by the British Prime Minister on Mar. 30th: "With the cordial co-operation of the British and French Commanders-in-Chief General Foch has been charged by the British, French and American Governments to co-ordinate the action of the Allied Armies on the Western front." In the Commons on April 9th Mr. Lloyd George referred at length to the appointment: "It is not merely that he is one of the most brilliant soldiers in Europe, but there is this to be said about him. Foch is the man, who, when we were attacked and were in a plight at the 1st Battle of Ypres, rushed the French army there by every conceivable expedient—buses, cabs, lorries, anything he could lay his hands upon." He stated that there were three

*Note.—January 3, 1919.

functions which a general should wield and they were strategical, tactical, and administrative and should all be in one hand: "I have always felt that we were losing value and efficiency in the Allied armies through lack of co-ordination and concentration."

General Foch, as he then was, had won his opportunity and a simple-minded, strong personality, a man essentially modest and pious in character but great in strategy and firm in leadership was in supreme command of millions of men—with the destinies of the world in his hands. Later when the issue was practically settled he replied to a birthday congratulation from Mr. Lloyd George (Oct. 2nd) in significant words: "I do not forget that it is to your insistence that I owe the position which I occupy to-day. The sure sign of the glorious days awaiting our Armies is to be found in the perfect unity which exists now between all the Allied forces." Much was to happen before these words could be written but the ensuing great developments, the patient, retreating yet organized defensive against a power of peril clear to all the world, the bold and sudden turn and the continuous, unyielding, aggressive of the next few months, stamped the Foch strategy with vivid points on the pages of history.

The tireless effort of that later period, its almost breathless rapidity of movement and smooth, continuous, action compared with Ludendorff's ponderous advances and long intervening delays were tremendous contrasts in military policy and practice. The world will hear for centuries of the strategy employed in those great days of a world war but it will not forget that success would have been impossible without the self-sacrificing effacement, so far as personal ambition was concerned, of great soldiers in all the Armies; the waiving of national rivalries and natural racial ambitions, of British, French and eventually Italian prejudices and political policies in order to create this opportunity for working out the great plans of a master mind. Haig, Plumer, Horne, Rawlinson and Byng were all generals of high capacity. Sir Douglas Haig, by priority of service and the influence of his nation stood near the level of Foch; Mangin, Pétain, Guillaumat, Debeney, Gouroud, De Goutte, Berthelot, Castelnau, Fayolles, varied in mental stature and achievement but all accepted the maxim of Napoleon that "nothing is so important in war as an undivided command."

Russia and the Eastern Campaigns. Meanwhile what of Russia as to its place in the War? It certainly was shameful and chaotic enough internally; in every external aspect it was more helpful to the Germans than to the *Entente*. The Treaty of Brest-Litovsk (Mar. 31, 1918) marked the triumph of a German-purchased Russian anarchy which rapidly developed into a Bolshevist autocracy. It weakened the Allies not only in the final removal of the huge bulk of Russia and its great armies from their side but, it freed the armies of Austria to feed the Teuton forces on the Italian and French fronts with men and guns, to turn the

Allied aggression of 1917 into the painful defensive of January-July 1918, to discourage some War forces in France and Britain by the apparent destruction of French and British investments and Government loans in Russia, to disturb War unity and action in all Allied countries by the interjection of a vague, intangible, but dangerous Bolshevism into their Labour politics and attitude. In a military connection F. M. Sir Douglas Haig described the situation as follows in his Report of October 21st, 1918:

> The disappearance of Russia as a belligerent country on the side of the *Entente* Powers had set free the great bulk of the German and Austrian divisions on the Eastern front. Already, at the beginning of November, 1917, the transfer of German divisions from the Russian to the Western front had begun. It became certain that the movement would be continued steadily until numerical superiority lay with the enemy. It was to be expected, moreover, that large numbers of guns and munitions formerly in the possession of the Russian armies would fall into the hands of our enemies, and at some future date would be turned against the Allies.

As the year passed in its terrific blows of war, and overthrow of institutions and nations, Russia had the influence upon Europe, and even on other continents, of an acid or poison that dissolves the other portions of a compound into varied and unknown quantities with some elements of possible good in them and assured elements of contagious evil. In concrete fact the 1917-18 action of Russia had changed the military situation to the serious injury of the nations fighting for democracy and liberty, had prolonged the War at least a year; had spread seeds of an insidious social poison which developed class-war and hatred, international distrust and conflict, financial disaster to nations, starvation to multitudes of individuals; had betrayed and ruined Roumania, thrown Armenia again into the clutches of the Turk, almost compelled the British evacuation of Mesopotamia, held back the conquest of Palestine, paralysed the action of the Allied armies at Salonika, encouraged the Teuton Allies to an immense degree. It had, finally, thrown a shadow of anarchy over the world which would long hamper the operations of Peace statesmen, the work of civilized evolution, the creation and spread of popular comfort and ordered liberty, the business reconstruction and re-organization of a war-weary world.

In the East the Mesopotamia campaign of British and Indian troops progressed during the early part of 1918 under General Sir W. R. Marshall. It included the drive up the Euphrates from Ramadi, the forcing of the Turks out of Kut, the victory of Feb. 26th at Khan Baghdadi with its capture of 5,000 enemy forces, including Germans, and a large amount of ammunition and artillery. The main trade route into Persia was partially opened up *via* Kermanshah and firm control of the Lower Euphrates was established, with free communication between Basra and Bagdad and preliminary development of the rich, agricultural lands of that fertile region. These and other operations in Mesopotamia were really part of a campaign intended to protect Egypt and

India, associated with that of General Allenby in Palestine and concerned in the occupation of Syria and the eventual clearing of Turks and Germans out of Persia. In it was involved the change of the Bagdad Railway from being a highroad for German-Turkish power running from Constantinople to Bagdad and Basra into a practically British line running in part along the Euphrates toward Aleppo and, eventually, to the Mediterranean at the Gulf of Alexandretta—with the line up the Tigris as a secondary matter and adjunct.

Meanwhile, in Palestine, Sir Edmund Allenby was making his brilliant advance and winning, in the end, victories which gave him Jerusalem and Jericho, Damascus and, eventually, Aleppo and Beirut, with complete railway communication to Cairo. By the end of the War Marshall and Allenby had almost reached their full objective; in any case they had closed the page of history stamped by German dreams of an Eastern empire and a German road to India. Turkish military power was broken in Asia, Arabia was lost to the Turk as well as the two countries primarily concerned, while Persia and Armenia were laid open to the Allies. While there were many troops of the Indian Empire in General Marshall's armies there were in those of General Allenby a few South African and New Zealand troops, many from India with some native African troops, an Australian cavalry contingent, a small unit from Canada, a small Italian unit and a larger French one, a basic element of purely British soldiers.

In the stormy Balkans during these months there was decided the fate of the Mittel-europa dream and it was from the much-discussed Salonika base that the blow fell. Fundamentally, of course, this and all other great War issues were settled on the Hindenburg Line in France; practically the cumulative effect of General Allenby's victory in Palestine, General Marshall's campaign in Mesopotamia and General D'Esperey's leadership of the Allied forces into Bulgaria had a vital influence on the general situation. The holding of Salonika in force had long been a menace to Turkey and Bulgaria and Austria, it held a certain number of their troops from other fields, it enabled the British Allies to get rid of Constantine and keep Greece in their own column instead of being added to the power of the Teutons, it prevented the complete German sweep of the Balkans from end to end. Finally, the facilities of Greek waters were held from the German submarine and German power in Eastern waters greatly checked. In the end Allied strength at Salonika became, what it should have been earlier in the day, formidable enough to be a military factor in aggressive war, to threaten Bulgaria with conquest and Turkey with extinction. The Allied advance in September across the Vardar and along the shores of Lake Vardar was followed by the rout of the Bulgarians, the capture of many thousands of prisoners, the liberation of Macedonia, the invasion and surrender of Bulgaria, the vindication of the Briand and Lloyd George policy of holding this Eastern front.

International Casualties in the War. The military casualties in this war were enormous; the toll of civilian human life as great as were those fearful sufferings of non-combatant men and women and children which history can describe but public opinion soon, perhaps mercifully, forgets. Of the killed in battle, or dead from battle-wounds, the estimates at the close of 1918 ran from 7 to 10 millions; the wounded who survived in varied forms of physical weakness, or suffering, or mutilation, exceeded the fatal casualties in numbers; of the civilians who were starved, or battered, or driven from pillar to post, maimed or ill-treated or, in the case of women, cruelly dishonoured, in Galicia and Poland, Roumania and Serbia, France and Belgium and Italy, the Baltic Provinces or the countries of Turkish-Asia, no correct estimate can ever be given. Dead in countless unknown graves, dying of disease and misery through all the lands invaded by German troops, or lying helpless beneath the cruel blows of the Turk, the world can never know the exact facts.

Some German estimates at this period put their fatal military losses at 1,900,000 and others were even smaller. Writing in the Toronto *Star* (Nov. 26th) under the well known local heading of "The War Reviewed" W. R. Plewman, who had proved himself a most capable critic and commentator in previous years, put the total casualties of killed, died of illness, or wounded and taken prisoner, of Germany at 9,700,000, the total for all the Teuton Allies at 16,900,000 and for the British Allies at 18,210,000. The London *Express* had an estimate (Nov. 11) of the total as 26,000,000. Figures widely published through the press of the world in December 1918 put the killed and dead from wounds of the Central Powers at 3,350,000 and the Allied Powers at 4,559,768 or a total of 7,909,768. All casualties, including the above, and wounded or captured, were stated at 12,066,769 for the Teutons and 19,524,989 for the Allies or a total of 31,591,758. A specific statement compiled from the New York *Post* and New York *Tribune* estimates and erring, if at all, on the side of moderation, was as follows:

Countries*	Men in Arms	Lives Lost	Total Casualties
United States	3,734,700	53,169	236,117
Great Britain	7,500,000	658,665	3,049,991
France	6,000,000	1,100,000	4,000,000
Italy	5,000,000	500,000	2,000,000
Russia	14,000,000	3,500,000	5,000,000
Belgium	350,000	50,000	300,000
Serbia	300,000	150,000	200,000
Roumania	600,000	200,000	300,000
Germany	11,000,000	1,580,000	4,000,000
Austria-Hungary	7,500,000	2,000,000	4,500,000
Turkey	1,500,000	250,000	750,000
Bulgaria	1,000,000	50,000	200,000
Totals	58,484,700	10,091,834	24,536,108

*Note.—The figures are official for the United States, Great Britain, Italy and Germany but not entirely complete; they do not include the British Empire as a whole.

Naval and Shipping Conditions of the Year. During these months of strenuous struggle on land the British Navy and its Allied fleets had been proceeding with the work of transporting troops and protecting supplies, of fighting the Submarine, of blocking Zeebruggé and Ostend. During 1918 the British naval offensive against the U-boat was pushed in the Kattegat and the Bight, in home waters and in German outports. Over 100 small German surface craft were destroyed and 200 submarines accounted for by means of improved listening apparatus, the depth charge bomb, the extension of mining operations, the work of thousands of minor craft. In this connection the accuracy of British methods in gaining information as to Submarines was in this year one of the marvels of the War. Very few U-boats left their bases without the knowledge of the British and American naval commanders. The numbers of the vessels, the proposed duration of their cruises and the localities in which they were ordered to operate were known in nearly every case. This information was transmitted daily by wireless to every ship of the Atlantic patrol fleet and to all convoys and merchant vessels. Convoys were worked upon scientific principles of wonderful effectiveness, *camouflaged* convoys, grouped or in single ships, had a remarkable development, guardianship by dirigibles, hydroplanes, anchored balloons, fleets of patrol boats, also was operated.

According to statements issued by the British Admiralty after the Armistice the German Submarine campaign from 1914 up to October 7th, 1918 destroyed 15,053,786 gross tons of the world's merchant shipping. On Dec. 5th, Sir Eric Geddes, 1st Lord of the Admiralty, stated that 5,622 British merchant ships had been sunk during the War, of which 2,475 were sunk with their crews still on board while in 3,147 cases the crews were set adrift. Fishing vessels to the number of 670 had been destroyed, and 17,956 officers and men in the British merchant marine had lost their lives through enemy action. In the Royal Navy, the Royal Naval Air Service and the Royal Marines the additional war-total of casualties was 39,766 of which 33,361 were fatal. During this War period the world's ship construction was 10,849,527 gross tons, while enemy tonnage totalling 2,392,675 was captured, so that the net loss of Allied and neutral tonnage during the War was 1,811,584. The losses according to tonnage and by nations was as follows: Great Britain and Dominions, 9,055,668; the United States, 501,038; Belgium, 105,081; Brazil, 31,279; Denmark, 245,302; Holland, 229,041; France, 807,077; Greece, 414,675; Italy, 861,435; Japan, 270,033; Norway, 1,171,760; Spain, 237,862; Sweden, 264,001. Between July 26th and Oct. 5th, 1918, there were organized, with some American assistance, Atlantic convoys to Great Britain totalling 43,196,740 gross tons with a tonnage loss of 364,842; the similar outward bound totals from British ports were 33,850,491 with tonnage losses of 289,446. Of course all shipping was not and could not be convoyed; hence losses in 1917-18 in which the world's daily average was as follows:

Quarter	No. of Vessels	Average Gross Tons	Quarter	No. of Vessels	Average Gross Tons
1st Quarter, 1917..	76	16,530	1st Quarter, 1918..	450	10,740
2nd Quarter, 1917..	1,043	23,550	2nd Quarter, 1918..	337	8,600
3rd Quarter, 1917..	622	15,270	3rd Quarter, 1918..	291	7,813
4th Quarter, 1917..	504	12,500			
			Total	3,323	95,003

This British convoy system was the largest single factor in saving the situation. It was adopted as soon as practicable after the unrestricted Submarine war declaration of February 1917 and from then until Oct. 26th, 1918, 566 convoys arrived at British ports from the North Atlantic, Gibraltar, West African ports and Rio de Janeiro. They included 8,648 merchant ships and the losses numbered 77. Outward-bound during the same period there were 508 convoys with 7,110 merchant ships and losses of 45 while other convoys guarded 85,772 ships. During these years the French, United States and Italian Navies were of substantial assistance but the backbone of the Naval part of the War lay with the British fleets and their vast subsidiary shipping and merchant marine. The Royal Navy, in fact, guarded or carried 23,388,000 soldiers and 3,336,000 non-effectives during the War with losses totalling only 4,391, besides carrying in its merchant branch 110 million tons of stores and material and supplies.

War Inventions, Discoveries, Science. An important phase of the War which developed along opposing lines was that of discoveries in science and medicine and surgery, inventions in killing and curing, in transportation and industry. Aviation, from a painful effort by isolated enthusiasts, became one of the wonders of the War and one of its most effective instruments; Submarines from a Jules Verne atmosphere of utter improbability assumed a status which imperilled the commerce, shipping and transportation of the world; motor-cycles, motor-lorries, automobiles, electric trucks, many and varied forms of electric transport assumed a place of fundamental importance in the carriage of millions of men and hundreds of millions of tons of supplies, of artillery, of ammunition, &c.; in motor-cycles alone the Germans used about 18,000 at the first Battle of the Marne, the British had 40,000 in the spring of 1915 and the French 11,000 while the total in use by all the belligerants during the War ran up to one million in number. Huge Tanks, super-tanks and little whippets, revolutionized the practices of war over difficult country and largely contributed to solve the trench problem which for two years had held up armies of millions and caused many sanguinary conflicts. To British ingenuity and initiative was due this discovery as were the chief Aeroplane war-improvements of the period. To Italy and the genius of Marconi were due the discovery and first uses of Wireless Telegraphy; to War requirements were due the tremendous adaptations of this discovery—between ships, and under

water, in aeroplanes and moving trains, between countries and Continents.

When the War commenced Germany was popularly supposed to lead the world in scientific implements of warfare; as a matter of fact she lead chiefly in preparedness and quantity. As the struggle developed initiative passed to the British Allies whose aeroplanes knocked out the Zeppelins just as the British tank was perfected in face of German ridicule and the Machine gun, originally invented by a Frenchman, was perfected in the British Maxim. The British made the first big bombing war-plane—the Handley Page—and the German Gotha was only an inferior copy; the Stokes trench-mortar revolutionized for British armies the use of this otherwise ancient weapon. Poison gas was one of the German inventions, or adaptations of ancient barbaric warfare, with which they hoped to win and perhaps might have done so by its earlier use; yet in 1918 they were denouncing the cruelty of Allied application of an improved and more powerful gas and declaring it contrary to Hague declarations! So effective had it become in their enemy's hands that Canadians on the Lens' front in one night alone, and in the greatest of the War's gas effects, projected 80 tons of liquid gas against the German lines. Meantime the horrible "mustard" gas had been invented by the Germans and at the close of the War the Americans had vast quantities of a new gas ready for use.

In Naval types and designs the British were dominant—even the Submarine in its discovery being a mixture of American and British inventiveness. There was the Super-dreadnaught with its biggest of all guns and its vast machinery oil-fired and turbine-driven, there were the fastest of light cruisers, the Super-destroyer, the Coastal motor-boat. The invention of the Turbine was claimed by Americans as well as British; the first turbine ship was the *Turbinia,* a British Naval craft. The torpedo originally was a British invention as was the system of combined gun-fire on a battle-ship; the depth charge or water-bomb which did so much to arrest Submarine supremacy, also, was of British origin. Other inventions, mostly British in invention or application, were the listening or sound device by which Submarines could be heard and exactly located under water at a considerable distance—a sort of water Wireless which, also, promised to be most useful in days of peace and the marine under-water telephone or picking up of the human voice from one Submarine to another. The manufacture or preliminary use of concrete ships became a fact in Canada, and elsewhere, and might in time have proved another fatal obstacle to the submarine. Aero-photography was developed from aeroplanes to a high degree of scientific and war effectiveness. The utilization of rubbish, of war débris, of torn and smashed weapons, shells, fragments of castaway food, or garments, or utensils, was brought to a point of wonderful effectiveness. The dust-tin or garbage-can was mobilized throughout England and France, fertilizers were extracted from refuse, shipping was salvaged to a

quite remarkable extent, bones were turned into glue or phosphates, or glycerine. Germany in these latter points had acknowledged eminence; isolation, necessity, scientific precision of knowledge, and application along certain lines, wrought wonders in the form of substitutes.

Surgical and medical developments were one of the miracles of the War. That, with the single exception of the Influenza epidemic near its close, 50,000,000 men could grapple over a term of years in deadly conflict, amid the devastation of whole countries and nations, without any general spread of contagious diseases, or epidemics of deadly and world-wide nature, was due to expert sanitation and surgery. There were, of course, local exceptions such as the Typhus which ravaged Serbia early in the War and at times attacked the Austrian and German armies; but, as a whole, these conditions were not of the nature so greatly feared in preceding wars. The use of anti-typhoid and anti-tetanus sera to prevent infection was wide-spread and to these and other advanced application of bacteriology, with hygiene and sanitation, the British and French armies owed their wonderful health. So, with the large proportion of wounded men saved as to their lives, or made efficient again as fighting units or private citizens, the result was due (1) to the masterly control of wound infections and (2) to a surgery such as the world had never before known or believed to be possible. As to the former the Germans claimed that at least 60 per cent. of their wounded returned to the field; it was alleged by Allied medical men that of the wounded who survived 6 hours 90% recovered. Anæsthetics and antiseptics had much to do with this and Dr. Woods Hutchinson in his book, *The Doctor in War,* declared after a year at the Allied front that chlorine had saved more lives in wounds and in drinking water than it had killed in gas:

> The armies in Flanders and Northern France last winter, out in open trenches in some of the vilest and 'sickliest' weather troops ever had to face, had less sickness and fewer deaths from pneumonia and all other diseases than they used to have in barracks in time of peace, and far less than the general civil population at home. Instead of five men dying of disease to every one in battle, in the British army on the Western front, only one life has been lost by disease to every ten in battle. In fact, disease as a factor in the Army death rate has been almost wiped out, completely so in the sense that the amount of sickness in the camp and the deaths from disease at the Front have been barely half what they were in barracks in times of peace.

As to Surgery the most marvellous things were done in saving life to the smashed and broken human frame or in replacing flesh and skin with imitations which seemed to take the place of the original. Let a quotation from Colonel Pierre Duval of the French Reserve Medical Corps, as expressed (Nov. 1, 1918) at Fort Oglethorpe, in the United States, indicate the surgical situation: "I have removed the human lung from the chest cavity with forceps, tied its bleeding blood vessels, cleansed its outer surface, and, while still holding it in my hands and manipulating

it as you would a handkerchief, I have run thin pieces of gauze up its tracts. Feeling my way carefully along its walls I have removed a bullet or shell fragment. Then, after saturing the aperture, I have placed the respiratory organ back into the cavity of the chest. In two-thirds of the cases upon which I have so operated the patient lived."

War Correspondents and Censorship. How far public opinion was affected by the censored news of the great struggle was and will be a moot question. The War Correspondents at the Front were not allowed to be arm-chair critics or to write lurid pictures of blood or horror, or to detail conditions which indicated, or might indicate, the location and movements of forces, or to give names and describe in located detail the heroic actions of officers and men. The absence of names in the stories of epic days, the public ignorance of even the men in command of Divisions and Armies, was a factor in eliminating that personal ele ment which had always hitherto thrown a glamour over the fiercest of conflicts. The British and American War correspondents at Field Marshal Haig's headquarters controlled the situation in the main—always subject to discretion and the Censor—but there were of course many others such as C. E. W. Bean for the Australians and Stewart Lyon for the Canadians. The leaders in the work included Phillip Gibbs of the London *Daily Chronicle,* Herbert Russel of *Reuters,* W. Beach Thomas of the London *Daily Mail* and Perry Robinson of *The Times* while Perceval Phillips represented a string of English papers. W. Phillip Simms represented the United Press Association and DeWitt Mackenzie, another American, the Associated Press.

The chief war news flashed out upon the wires to Canada and the United States and the world was, therefore, written by Americans. Frederick Palmer was the leader among the American unofficial correspondents. F. H. Simonds of the New York *Tribune* was a commentator rather than a correspondent; so also was Hilaire Belloc, the British writer for the British and American press; Lieut.-Col. E. P. Repington, Lieut.-Gen. J. M. G. Mailleterre, Major-Gen. Sir F. B. Maurice, were military critics and commentators. These latter writers held all sorts of views and were much freer in their statements than were the men at the Front. Mr. Simonds wrote the most numerous articles and it would be a wonder, indeed, if he had never made a mstake; his chief one was the belief expressed as late as Oct. 12th, 1918 that there would be a campaign in 1919 and another year of the War; his main fault was a tendency to disparage British generals and depreciate British successes and soldiers—not always, and not violently, but, enough so to promote misunderstandings.

Upon the whole the men who formed Canadian opinion of the War *via* American press dispatches were writers whose views were coloured by their American nationality or by journals such as those of the Hearst Syndicates, for whom they were provided. Some

British press correspondents who were occasionally heard from were G. Ward Price, Cameron MacKenzie of the *London Chronicle,* H. W. Nevinson, G. H. Perris and Gerald Campbell of *The Times,* Australia was represented C. E. W. Bean, New Zealand by Malcolm Ross and Canada by Stewart Lyon and then by W. A. Willison. Of correspondents representing individual American journals or special syndicates, the best known were Anthony Czarnocki, Edward Price Bell, L. E. Browne, John T. Bass, Paul Scott Mowrer and Edgar A. Mowrer. As to the Censorship the objects officially given as those of the Cable Censor at Ottawa were more or less those of all the authorities of the British Empire and, later on, of the United States:

1. To prevent the enemy, or his agents, from using cables or wireless systems, which we control.
2. To prevent information of military value to the enemy, such as the movements of ships or troops, being transmitted to unauthorized persons in the course of trade or for personal or family reasons.
3. To assist in every way, consistent with the maintenance of proper secrecy, British and Allied trade and traders.
4. To assist, subject to the same proviso, legitimate trade of neutrals with neutrals, and of neutrals with the British Empire and its Allies.
5. To deny the use of trans-oceanic communications to enemy trade, whether by open traffic or by underhand means, such as the use of covers in neutral countries.

The Situation of Germany in 1918; The Kaiser and his People. Germany in 1914-18 played with the fires of war and, finally, was burned beyond recognition; in 1918, also, depression and disappointment caused it to overthrow all its Governments, to sacrifice law and order and stability and to enthrone in power a Socialism of vague and fluctuating character. It was a tremendous change which took place. The Germany of the 17th and early 18th centuries which was the home of a great philosophy—of Liebknitz, Kant, Fichte, Hegel, Schopenhauer; the Germany of dreams, of goblins and elfs, of Grimm and his fairy tales; the land of a splendid literature, of Goethe and Herder, Lessing and Schiller, Richter and Keller, Heine and Freytag; the home of music, of Bach and Handel, Wagner and Glück, Beethoven and Mozart—had disappeared in the vortex of Militarism which evolved about 1860. Now, again, the Germany of proud and aggressive statesmen, of great and glittering generals and all-powerful Emperors, the Germany of the flashing sabre, the armies of which all Europe stood in dread, the science which the whole world respected, the industries which permeated the trade of all nations, gave way to a chaotic condition in which Governments and all the emblems of past greatness disappeared in a night.

The Last Year of the Kaiser's Reign. During the most of 1918 the Kaiser still remained the central figure of German Government, the constant theme of world discussion. As Article XI of the constitution of the German Empire of Federated States put

it, so Wilhelm II had acted: "The Emperor shall represent the Empire among nations, declare war, and conclude peace in the name of the same, enter into alliances and other conventions with foreign countries, accredit ambassadors and receive them." From time to time there had been modifications in these basic powers but in 1914 no ruler, however despotic, could have carried his nation into a war against Russia, France, Britain, Japan and finally Italy—the five other Great Powers of the world—and kept it there for four and a half years without having his people practically a unit behind him. He remained up to the last the pivot upon which the fighting spirit of the nation and the German armies rested; with his retirement and abdication the whole fabric of national power, unity and armed strength, collapsed. Obviously the collapse was imminent; how far it might have been checked or modified in its effects by a stern willingness on Wilhelm's part to face the consequences of his policy and rule can only be conjectured.

As it was there were undoubted elements of greatness in the man, of personal power in his impulsive, ambitious, autocratic, strenuous character, of qualities which the widely-published reminiscences of a vulgar dentist, a discredited spy, or a professional banjoist, could not entirely cloud. Perhaps the best, the clearest analysis of the extraordinary personality of a ruler who for a time was acclaimed in his own country as the Emperor of Europe and the greatest of Conquerors; who was at once a preacher of the verile Luther type and a devoted disciple of Frederick the Great; who was a devotee of the most tortuous wiles of hidden diplomacy and a discriminating patron of the fine arts; who was a far-sighted promoter of German trade and industry and an enthusiastic believer in the darkest uses of applied science to develop the military power of Germany; who had composed music, written verses, painted pictures, and shown real skill in church architecture; was that of Sir Valentine Chirol contributed to the London *Times* of Nov. 22nd, after both the Kaiser and his Empire had fallen:

> There is none to pity him, but it would be merely to belittle the tremendous effort it has required to hurl him down from the pinnacle on which he stood only a few years ago as the arbiter of the world's destinies if we were to deny to him certain elements of dæmonic greatness. Only a man who had taught himself to believe that he was born something more than a man, who was possessed of ruthless energy and untiring industry, who combined the most extraordinary versatility of methods with a fixity of purpose that amounted almost to an obsession, could have exploited as he did to his own ends all the material and intellectual forces of a gifted and labourious and, with obvious limitations, highly educated nation, until it became difficult to say whether he was the creator or the embodiment of a morally-perverted Germany that combined the wicked cunning of old age with the lustful forcefulness of youth. His insatiable egotism was only equalled by his belief in his own heaven-born omniscience and omnipotence.

But the colossal war-madness which culminated in the tragedy of July 31st, 1914—as a result, probably, of gradual evolution in himself as well as amongst the German people—destroyed the

great fabric which he had helped to build up and almost pulled the civilization of the world in ruins about his head. The wickedness of that crime against humanity was so great that it required no distortion of fact, or personality, no blood-red comment by heated enemy victims after the event, to enhance its real proportions. This result, however, was inevitable and when, to national war-hatreds, were added the ever-increasing hostility of democracy to a dominating autocrat, or the additional acerbity of denunciation which came when that autocrat was a fallen idol, a shattered power, there is no room for wonder at the Kaiser's world-wide reputation at the close of 1918—a year which commenced with this message addressed to his Army and Navy: "The gigantic battles which raged from spring to fall on Belgian and French soil were decided in favour of our glorious armies. In the East the offensive spirit of our armies, by powerful blows, achieved great successes. Our arms there are now at rest. Brilliant victories in a few days destroyed the Italian offensive preparations of years. The Submarines are unswervingly performing their difficult and effective work. The German people in arms has thus everywhere, on land and sea, achieved great deeds. Trusting in our righteous cause and in our strength, we face the year 1918 with firm confidence and iron will. Therefore, forward with God to fresh deeds and fresh victories."

There is little doubt, however, that at this time he foresaw the end and earnestly desired peace by negotiation—an unbeaten Germany obtaining a new lease of power and opportunity; that this was the cause of bitter attacks made upon him by Pan-Germans at the beginning of 1918 and the fight-to-a-finish attitude of Admiral Von Tirpitz; that the ensuing great offensive was the com promise sought and obtained by Von Hindenburg and Ludendorff. Personally, he did what was possible to avert the inevitable, to turn aside the hands of fate. He was everywhere with his troops from time to time—on the coast of Flanders, in the Vosges, in Friesland, among the Carpathians, at the gates of Belgrade. He remained unflinching in those expressions of religious faith—so curiously intermixed with military ambition—which aroused such bitter comment in Allied countries and were again embodied on March 27th in a message to the Reichstag: "May it be recognized that what is now needed is that the people at home, too, shall manifest, by their fortitude, their will to victory. The coming world-peace will then, through the German sword, be more assured than hitherto, so help us, God!"

On Aug. 1st, when the German onslaught had been stayed in the West and German plans were crumbling in the East, the Kaiser still expressed hope and, in a proclamation to the German people, after reviewing their "sacrifices and sufferings" and alleged efforts for peace, he declared that: "We must, therefore, continue to fight and to labour until our enemies are ready to acknowledge our right to existence, just as we have victoriously fought for and gained it against their overwhelming opposition.

God is with us." The tangled web of German dishonesty in diplomacy, cruelty in war-practice, callousness in moral viewpoint, and perfidy in plot or propaganda, may or may not have been approved by the Kaiser; they undoubtedly showed the German people, as a whole, to stand outside the circle of really Christian or civilized peoples. As embodying these characteristics many books have been and will be, written about Wilhelm II as a monster who dreamed of world mastery and waded through blood to supreme power; it is well in awarding responsibility, to bear in mind that under the accepted Allied opinion of the German people he largely represented their characteristics and embodied their ambitions.

By September the Kaiser's references to peace had become more insistent and, on the 12th, during an address at Krupp's, he declared himself the Father of his people as well as their Supreme War-Lord and described the enemy as preventing negotiations: "He, up above, knows my sense of responsibility. Repeatedly during the past months the responsible leaders of the Imperial Government have unambiguously given to understand, to everyone who wished to understand, that we are at all times ready to offer the hand of peace." But, to this desire, was opposed the enemy's "absolute will to destruction"; with himself, he still believed, was God's support: "Only in the West do we still fight, and is it to be thought that the good God will abandon us there at the last moment." Then came the final word: "The German swords are raised, hearts are strong and muscles are taut. On to battle against everything that stands against us, no matter how long it lasts, so help us, God. Amen!" Six weeks later the Kaiser had left Berlin for Army headquarters after signing, on Oct. 28, a document liberalizing the institutions of the Empire; on Nov. 12th he had crossed the Dutch frontier with a handful of soldiers and taken refuge in Amorengen Castle as the guest of Count Von Bentinck. On Nov. 28th, he signed an abdication in the following terms:

> I hereby for all the future renounce my rights to the Crown of Prussia and my rights to the German Imperial Crown. At the same time I release all officials of the German Empire and Prussia, as well as all the non-commissioned officers and men of the Navy, of the Prussian Army, and of the Federal contingents, from the oath of fealty which they have made to me as their Kaiser, King, and Supreme Commander. I expect of them that until the reorganization of the German people they will assist those who have been entrusted with the duty of protecting the nation against the threatening danger of anarchy, famine and foreign rule.

Meanwhile, the Kaiser's Ministers had been changed from time to time and had represented various phases of current opinion. Pan-Germanism, expansion of territorial and industrial strength, will-to-power, were still dominant aspirations at the beginning of 1918; there remained a popular belief in eventual victory and a passive acquiescence in present pains; there was, however, an increasing Socialistic rift in the lute of war-harmony and growing desires

for a democratic peace and electoral reform; there was a political gap or diplomatic estrangement between Vienna and Berlin caused by the Emperor Karl's demand for peace negotiations and a feeling of strong doubt in well-informed circles as to the position of Bulgaria and Turkey. The Socialists under Schiedemann urged a peace which should mean the restoration of pre-war conditions so far as territorial claims and captures were concerned; the official leaders of the people hedged on this issue and the Pan-Germans became even more violent. In July Dr. Von Kühlmann resigned as Foreign Secetary and was succeeded by the notorious courtier, diplomat, and propagandist, Admiral Von Hintze. On Sept. 6th Count Von Hertling resigned the Chancellorship and was replaced for a brief period by Prince Maximilian of Baden—the last of Imperial German Chancellors; on Oct. 4th, as new popular conditions developed Philip Schiedemann, majority or War Socialist, and Mathias Erzberger, Catholic leader, who appointed Secretaries of State, with Dr. W. S. Solf as Foreign Secretary.

The Unchanging German Character and Conduct. Meantime, German qualities and character had not changed in the welter of war and did not do so in the ensuing chaos of revolution. That blood and iron could and should be used—by Germans and when convenient—remained a dominant belief; that the Teutons were the aristocracy of humanity and morally as well as intellectually superior to other nations persisted as an inherent belief. German soldiers continued to make a desert of occupied territories, and Poland, Roumania and the Ukraine succeeded Belgium and Serbia as evidences of barbarism at the hands of disciplined, well-trained armies; the condition of women in conquered regions remained a lasting proof of debased German character in both officers and men. During 1918 the horrible mal-practices of war continued on the part of German troops.

Such historic homes of art and beauty as Treviso and Venice and Padua in Italy were bombed by Austro-German war-machines in every form of destructive ingenuity despite protests from the Pope and promises of the Teuton rulers that defenceless Italian cities would not be so attacked; descriptions were made public of the German steam-cells in which prisoners, too weak or refusing to do the war work allotted to them, were shut up for hours in a bath of hot steam until death or unconsciousness came to their relief; Belgian prisons, notably those at Antwerp and Charleroi, were made into torture chambers where brutal treatment often induced insanity or hastened death; desecration of churches and sacred vessels, altars or symbols, was still practised in French or other territory; Submarines continued to ram or sink helpless vessels or fire upon life-boats or persons escaping from ships which had been sunk; in the German retreat from France and Belgium wells were poisoned, property pillaged, homes deliberately burned or blown up, infernal machines placed so as to destroy everything in the vicinity when exploded by the simplest contact or buttons

accidentally pressed perhaps a mile away; libraries, as at Chateau Thierry, were wantonly defiled or hopelessly injured and priceless missals, ancient manuscripts, illuminated documents, destroyed deliberately. At Mézières and other places graves were opened and corpses robbed while various famous villages, towns or cities of art and beauty, were left by the retreating Germans in a condition described, as follows, by M. Jules Cambon, so long French Ambassador at Washington: "St. Quentin, Lens, Cambrai and Douai are burned, mined, ruined. Having formerly been Prefect of the Department of the North I know what this new terror means to the regions devastated by the German armies. One cannot view without profound sadness all the ruins the German invaders are leaving behind them—ruins that represent not only material losses, but also moral losses. The conduct of the German armies is an outrage to civilization and humanity."

In the region of Beaurevoir, Serain, etc., the lace-making and embroidery machines by which the peasant women made their livings were deliberately destroyed; at Roubaix and Turcoing, the Associated Press declared that Germans had gone to extreme lengths in order to defile, destroy and plunder. And so it was, also, in Bruges and Lille. To the six Hospital ships sunk since the War began were added in 1918 the destruction of the British Hospital ships *Rewa* (Jan. 4,) *Glenart Castle* (Feb. 26), the *Guildford Castle* (March 10), *Llandovery Castle* (June 27), with, also, a Russian and a Dutch ship; to the record of deliberately bombed Hospital buildings in France were added a number of new and flagrant cases— a Canadian institution on May 30th with many casualties, a group of British Red Cross Hospitals on May 19th and May 31st, another Canadian institution on June 24th. Taking certain other outrages against International law and civilized practice in bulk, it may be added that, according to figures quoted by Rudyard Kipling in March, 1918, over 14,000 English non-combatants (men, women and children), had been drowned, burned or blown to pieces, since the war began and that the process steadily continued during ensuing months; that an estimated total of 150,000 Belgians had been deported to Germany as slave-workers and that one-half had died as a result of their sufferings; that, according to Sir George Cave, Home Secretary, in the Commons, the atrocities perpetrated in German prison camps were beyond belief with 2,000 deaths in one of these places during two years and a proven record of beating and torturing prisoners, of using others to work under shell fire and of committing barbarities too numerous to detail, almost too cruel and gruesome to describe.

German character was illustrated in a document circulated in Spain early in 1918 and officially republished at Washington (May 9th) as a type of German propaganda. After describing the immense amount of war material and booty captured in France and Belgium—including 5,433 watches, 18,073 articles of underwear, 15,132 embroideries and women's handkerchiefs, 1,876 silver spoons and 523,000 bottles of champagne—the statement added

MAJOR-GENERAL SIR ARCHIBALD CAMERON MACDONELL,
K.C.B., C.M.G., D.S.O.,
Commanding 1st Infantry Division, Canadian Corps.

MAJOR-GENERAL SIR HENRY EDWARD BURSTALL,
K.C.B., C.M.G., D.S.O.,
Commanding 2nd Infantry Division, Canadian Corps.

that many art treasures and, especially, old paintings had been confiscated. It then proceeded: "Due to the treachery of Cardinal Mercier and other priests who did their utmost to stir the priests against the good-hearted German soldiers, they (the Germans) were forced to teach a severe lesson to the Belgian and French Catholics as follows: Cathedrals destroyed 4, and rendered unserviceable, 8; Churches destroyed, 27 and renderded unserviceable, 34; total, 73. In Poland also a large number of churches have been destroyed for military reasons. The figures concerning these have not yet been published; as a result of the stupid stubbornness of the Belgian people in continuing the struggle after their bloody and final defeat on the battle-field the German officers were forced against their will to impose punishments on many rich individuals and wealthy cities to a total of 120,071,350 pesetas ($24,014,270)." The various German abuses of International law and decency in these years may be summarized as follows:

1. Massacre, torture, starvation and deportation of civilians; internment of civilians under brutal conditions and forced labour by them in connection with the enemy's military operations; the killing or robbery of hostages.
2. Abduction of girls and women for slave labour or immoral purposes.
3. Usurpation of sovereignty under military occupation.
4. Compulsory enlistment among inhabitants of occupied territory.
5. Pillage of towns and villages, robbery of individuals and homes, confiscation of property, stealing of industrial machinery upon a wholesale basis.
6. Exactions of illegitimate or of exorbitant contributions and requisitions; imposition of collective penalties.
7. Debasement of currency and issue of spurious currency.
8. Wanton devastation and destruction of property; bombardment of undefended places.
9. Wanton destruction of religious, charitable, educational, and historical buildings and monuments.
10. Destruction of merchant ships and passenger vessels without examination and without warning; destruction of fishing-boats and of relief-ships.
11. Bombardment of Hospitals; attack on and destruction of Hospital-ships; breaches of other rules relating to the Red Cross.
12. Use of poisonous and asphyxiating gases; use of explosive and expanding bullets; orders to give no quarter.
13. Ill-treatment of prisoners of war; misuse of flags of truce; poisoning of wells.
14. In the words of Herr Harden of *Vorwärts* (Dec. 14, 1918): 'Fifty one months of brutal rule in Belgium, during which every law of humanity was broken; the devastation of northern France; air raids, against all law; the custom of sinking passenger ships; the smuggling of explosives, bacilli and incendiary instruments into neutral countries, and everywhere bribery, fraud and theft.'

The last year of the War brought no change in German nature or viewpoint; even recognition of defeat (as temporary and partial reverses only) and ensuing revolutions in government and internal affairs evoked no change of heart or mind so far as press and public utterance, under new and freer conditions, would indicate. The discussion and practice of loose marriage arrangements calculated to increase the population; the oft-

urged need of preparations for another war of conquest; the callous or cynical public view of Lichnowsky's revelations as to the origin of the War, with Von Kühlmann's statement that it was planned and caused by Russia and Von Hertling's claim that it was due to the policy of King Edward; the continued use of unscrupulous propaganda abroad—all these and many other things proved the situation unchanged so far as war-thought was concerned.

German Finance and Industry in 1918. In domestic affairs it was different. Continuous and increasing privations, the depression coming from larger casualties and ever-diminishing financial resources or productive capacities, the underground operations of a Socialism which did not dare to openly oppose the Kaiser and public opinion in war policy, the constant pressure of growing taxation, the call for War loans and the exactions of profiteers, were all operating to create a kind of sullen discontent with existing institutions. At the beginning of the year Sir Edward H. Holden, President of the London City & Midland Bank—a great financial authority—compared the liabilities of the Reichsbank, a national institution of Germany, in the years 1914 and 1917 as follows:

	Dec. 31, '17	July 23, '14	Increases
Capital	$ 42,750,000	$ 42,750,000	$
Reserve	21,408,250	17,693,750	3,714,500
Total	64,158,250	60,443,750	3,714,500
Notes issued	2,723,588,250	449,088,750	2,274,499,500
Credit accounts	1,911,970,000	224,200,000	1,687,770,000
Liabilities	213,013,750	9,500,000	203,513,750
Total	$4,912,730,250	$743,232,500	$3,169,497,750

Amongst the Assets were $3,466,573,570 in exchange for Treasury bills as against $178,338,750 in 1914. A statement of the Finance Minister's issues in March 1918 showed that while at the end of September, 1916, outstanding Treasury bills amounted to $2,584,800,000, they had risen at the end of September, 1917 to $5,754,400,000; at the latter date the total Imperial Debt was $13,300,500,000 at 5 per cent., $282,400,000 at 4 per cent., $492,700,000 at 3½ per cent., $407,500,000 at 3 per cent., and $1,007,000,000 in Treasury bonds at 4½ per cent., or a total funded and unfunded Debts of $21,245,000,000. The War Loans up to September 1917, totalled 18,235 million and the Treasury bills 7,250 millions or a total cash borrowings of $25,500,000,000 compared with similar figures to date in Great Britain of $24,500,000,000. The eighth German Loan closed on April 18, 1918 and added $3,462,900,000 to the above total. By the end of April, 1918, the German War Debt was estimated at 30,000 millions or 40 per cent. of the national wealth of the Empire before the War. In the Bavarian Reichstrat on Feb. 9th, Count Preyseng estimated the after-war taxation necessary (National, State and Municipal) at

$4,540,000,000 per annum, or four times the pre-war total; while Von Breunig, the Bavarian Finance Minister, asserted that the Imperial budget, alone, was $2,380,000,000 over the pre-war period or a total of 3,234 millions.

The amounts actually called for to meet interest payments were as follows: 1914, $44,000,000; 1915, $285,000,000; 1916, $530,000,000; 1917, $830,000,000; 1918, $1,308,000,000. Meanwhile inflated values and the wholesale issue of paper money were laying the foundation for future and serious trouble. The total of these paper issues on Mar. 7, 1918 was 4,593 millions, or ten times the total of 1914. By Aug. 1st, 1918, the estimated Debt of Germany was 34,000 millions and the interest payable yearly 1,750 millions. A small War Loan of about 500 millions was floated in September and at the close of the year German bankers and capitalists were secretly smuggling large sums of money out of Germany—as they had done from Great Britain at the outbreak of war and from the United States to Mexico and South America in 1917.

These conditions were a part of the war pressure which all the great nations were bearing; but behind them there was no great war-trade, or war-shipping prosperity, or war loans to financially-good countries; with them, also, were all the collateral troubles of the Blockade—a continuous restriction upon every element of profit which a nation has in its free contact with other peoples. This external strangle-hold upon trade and industry and personal comfort did not bring the Germans in 1918 to the point of starvation; it did create all kinds of clothing, food and war material problems, restrict and hamper raw material supplies, weaken the man-power of industries and war-work, injure the *morale* of the people. Between 1914 and 1917 the birth-rate declined by 44 % and, according to one journalist of keen observation (Cyril Brown) while nursing mothers and infants were well cared for, older children were in a bad state from want of proper food-stuffs with fats, of course, as the chief element lacking; soldiers, on the other hand, and the upper classes were well fed. Workers came gradually to a condition where many were under-fed, underpaid and over-driven; the coal shortage caused great privation and enhanced the demoralization of transport facilities; industries experienced a continuous progressive depreciation of plant and in product of labour; the crop failure in 1917 caused additional difficulties in 1918 and was followed by a partial shortage in that year also.

This latter condition induced a demand that every possible supply should be seized and brought from Roumania, Belgium, Russia, France. During 1918 the scarcity in rubber became vital —gas-masks and motor transports being greatly affected—with packed dental rubber, as an illustration, running from the $5.00 a pound price in America to $100.00 in Germany. So, with copper and brass, nickel and tin, leather and nitre, though in lesser degree. Substitutes in food became a scientific effort, a condition never

equalled in the war-history of the world; an official report put the total number created by chemical industry and skill as 10,000, of which 7,000 were in food supplies and 3,000 in military supplies. Zinc and iron largely replaced copper, brass and tin; mineral oils were produced by treating pit-coal with liquid sulphurous acid; benzol took the place of gasoline, cellulose, paper, yarns and nettle fibre replaced textile materials. Latterly, armoured tanks, etc., suffered greatly for want of nickel; the dearth of fertilizers and of draught animals and the absence at the Front of millions of men from the farms added under-production to the other shortages of food. Statistics of the once great shipping industry were as follows at the close of the War:

	Tons
German tonnage on Jan. 1, 1914	5,459,296
Lost during war (including Vessels sheltered or interned in Neutral ports)	2,900,000
Remaining in German ports	1,559,296
In Neutral ports, uninterned	674,000
New construction during War	950,000
Maximum tonnage available after War	3,183,629
Deficiency, as against pre-war tonnage	2,275,667

On the other hand the rich grew richer on paper, or in paper; some manufacturing industries which lost in one way grew powerful and prosperous on the war side; prices of certain popular essentials were kept on a lower basis than in some Allied countries by the stern and effective regulation of organized government control; the ruthless robbery of Russia and other conquered regions produced many supplies and filled many needs; the production of war material actually reached its maximum in the last year of the War, while the "peace" with Russia produced much optimism and a certain progressive, though limited, democratization of institutions pleased a part of the people. M. André Cheradamé, the French economist, estimated that during the first three years of war Germany obtained possession of $32,000,000,000 of foreign assets. He classified the movable booty of this period as follows:

1. Capture of Human Material. This consisted of 46,000,000 Allied subjects from whom the Germans obtained free labour.
2. Capture of War Material. Guns, rifles, munitions, vehicles, locomotives, railway-trucks, and thousands of miles of railway were taken.
3. Capture of Foodstuffs. Everywhere the Germans stole horses, cattle, corn, potatoes, sugar, alcohol, foodstuffs of every kind, and had crops grown by forced labour.
4. Theft of Raw Materials. Throughout the occupied territories the Germans appropriated coal, petroleum, iron, copper, bronze, zinc, lead, etc., either in mines or from private individuals and textile materials, such as woolen and cotton.
5. Theft of Industrial Plant. On a methodical plan throughout the occupied territories, the motors, engines, machine-tools, steam and electric hammers, steel-rolling mills, looms, models, and industrial plant of all kinds were carried off to Germany.
6. Seizure of Works of Art. Works of art collected for centuries in museums, churches and by private individuals in Poland, Italy, Belgium, and France were carried off by the Germans.

7. War Levies. Scores of millions in money were secured by the Germans in the form of requisitions, fines, war levies, war taxes, and forced loans.

8. Thefts of Coin, Jewels and Securities. In occupied regions the Germans emptied, by order, the safes and strong boxes of private persons and of banks and carried off securities, jewels and silver.

Despite these conditions, however, only victory of a complete kind could have in 1918 maintained a reasonable contentment in the German mind or upheld the stability of German institutions. By Aug. 1st the National Debt had risen from the 1914 total of $5,000,000,000 to $34,000,000,000. The fundamental fact of casualties—deaths and wounded, maimed or broken men—became so terrible as to reach the limit of endurance. According to the German military writer, Karl Bleibtreu, in *Das Neue Europa*, a statistical return of German losses from August 2nd, 1914, to July 31, 1917, in killed or taken prisoners on the Western front alone showed a total of 2,604,961; according to the Cologne *Gazette* of Nov. 25, 1918, the total German casualties up to Oct. 24, 1918, were 6,066,769, of which 1,611,104 were dead, 3,683,143 wounded, and 772,522 missing; another element was the mortality due to or affected by the Blockade and which the new German Government at the close of 1918 estimated at 500,000.

German and Austrian Revolutions; Socialism and Bolshevism

German Socialism before the War had been divided into the Moderate majority under Phillip Schiedemann as President of the Social Democratic Party and a small Minority of extremists called the Independent Socialist Party with Hugo Haase as leader. The former represented about 4,000,000 voters and had rallied to the support of Kaiser and Government in and during the War; the latter had remained a thorn of violence and discord in the side of popular and organized action. By the beginning of 1918 changes in this allignment became increasingly visible and, in the Reichstag of Jan. 26th, Schiedemann fiercely attacked the militarist parties and urged peace by negotiation; Harden in *Die Zukunft* put the peace speeches of Lloyd George and President Wilson before the public —so far as that Socialist sheet could do so; at the end of the month great strikes involving 500,000 men indicated increasing restlessness to which current losses of Submarines added fuel; the extremist advocacy of the Pan-German, or new Fatherland Party of annexation and conquest, with Admiral Von Tirpitz at its head, evoked natural reaction. *Vorwärts*, a Socialist organ at Berlin, published on Jan. 30th, the following as the platform of striking workers and the anti-Government masses:

1. An accelerated conclusion of a general peace without indemnities or annexations.

2. Participation of workmen's delegates of all the countries in the peace *pourparlers*.

3. Amelioration of the food situation by better distribution.

4. Immediate abolition of the state of siege and restoration of the right of public meeting, suspended by the military authorities.

5. Abolition of militarization of war factories.
6. Immediate release of all political prisoners.
7. Fundamental democratization of State institutions.
8. The institution of equal suffrage by direct secret ballot.

The Independent Socialists grew stronger in criticism as the year advanced and on June 24th a Reichstag speech by Herr Haase was published which declared that: "We have the audacity to permit the handing over to the Turks again of the Armenian districts of Batoum, Kars and Ardahan. In Livonia and Esthonia the German police force is treating the people with arbitrariness of the worst sort. Conditions in the Riga district cry to heaven. The German military power everywhere in Russia has been active as the strangler of democracy and the oppressor of freedom." According to Arthur Henderson, the British Socialist leader, in a speech at Northampton on July 13th, the Minority Socialists of Germany were then willing—through official messages to the British party—to accept the Inter-Allied Labour platform while the Majority Socialists would discuss Belgium and Alsace-Lorraine and agree to a complete restoration of Belgian independence. In August revolutionary pamphlets were in wide circulation throughout Germany—one of them declaring that the Kaiser must disappear. By September reports in the Dutch and other neutral papers indicated widespread German discontent and growing disaffection in the Army with desertions reported as numerous and discipline as at the breaking point; publicly reported incidents revealed similar feelings in the blockaded Navy.

The appointment of Prince Max of Baden, with Socialist colleagues in lesser posts, was an obvious effort, early in October, to meet these conditions. Maximilien Harden was uncompromising and significant in his comments at this time, as expressed in *War and Peace,* a sensational work published in Berlin, from which an extract follows: "This war's surest and only certain consequence will be the most terrific revolution of all times—a revolution flaming through Europe and ploughing up the whole hemisphere; a revolution beside which those of 1789 and 1793 will seem like child's play." The accumulating depression and discontent were recognized by Cardinal Hartmann, Archbishop of Cologne, in a Pastoral issued early in October, in which he declared that dark hours had come for Germany and that it was threatened by an enemy superior in numbers while shaken to the foundations of the state by internal changes. He called upon his people to offer public prayer, recognized that deep discontent was spreading everywhere among the masses, and invited all Catholics to rally around the Emperor. Meantime, belated efforts at liberalizing the German Government system had been made. In a speech on Oct. 5th Prince Maximilien of Baden told the Reichstag that in conference with the Federated States of the Empire and the Majority leaders in the House certain principles of political change had been accepted along the lines of the Kaiser's decree of Sept. 30th

and that they involved an Imperial Cabinet responsible to the Reichstag. On the 28th the Kaiser addressed a decree to his Chancellor putting into operation the constitutional amendments approved by the Reichstag and which practically established Party government. In it he described his hopes rather than actual conditions:

> Prepared for by a series of Government acts, a new order comes into force which transfers the fundamental rights of the Kaiser's person to the people. Thus comes to a close a period which will stand in honour before the eyes of future generations. Despite all struggles between invested authority and aspiring forces, it rendered possible to our people that tremendous development which has imperishably revealed itself in the wonderful achievements of this War. The Kaiser's office is one of service to the people. May the new order realize the good powers which our people need in order to support the trials which are hanging over the Empire and with a firm determination step toward a bright future from out the gloom of the present.

The Chancellor described this action as a peaceful revolution and on Nov. 4th, appealed to the people for confidence, stated that equal suffrage in Prussia was assured and that the new Government—of mixed and coalition character—was now responsible to the Reichstag with control over issues of peace and war and a policy involving the gradual transfer of Germany into a democratic State. But it was too late. On Nov. 8th the German Fleet, which had been ordered to sea with a view to fighting a final desperate naval battle, mutinied, took possession of Kiel, Wilhelmshaven, Heligoland, Borkum and Cuxhaven; the workers and submarine crews joined in the revolt and organized soldiers' and sailors' and workers' Councils after the Russian pattern; *Vorwärts,* now an aggressive organ of Socialism, published a proclamation declaring it the intention of Social Democrats to secure full democratic liberty for the German people, and that those, who, through unwise policies, caused this calamity to come upon Germany must resign their posts—with no exception for even the most highly placed; on the 9th Prince Max of Baden stated that the Kaiser-King had decided to renounce the Throne, had appointed Friedrich Ebert as Imperial Chancellor and suggested the calling of a German National Assembly elected by general suffrage.

The abdication of the Duke of Brunswick and the Kings of Bavaria and Saxony followed while a Manifesto was issued by the new Chancellor declaring that: "I am going to form a new Government which will be a Government of the people. Its endeavour must be to bring to the people peace as quickly as possible and to confirm the liberty which it has given." The leap from an Autocracy to a Republic, from a Chancellor of royal birth to the son of a tailor who had made his living by making harness, the crashing of thrones and ancient dynasties in a couple of dozen countries, the fraternization of the ruthless soldiers of the greatest military organization the world had ever known, with the workmen of the nation, came almost in a night. Yet the collapse was more or less a matter of evolution and Germany had reached a

war-condition in which something had to break—the Allies or its own system of organized power. The latter gave way and within a few days the Governments and institutions and conditions of life and society in all the following States of the one-time Empire were in chaotic confusion with rulers overturned and the institutions of centuries smashed to fragments:

Name	Area in Sq. Miles	Population	Form of Government	Ruler
Alsace-Lorraine ...	5,604	1,874,014	Provincial	Governor
Anhalt	888	331,128	Duchy	Friedrich II
Baden	5,823	2,142,833	Grand Duchy	Friedrich II
Bavaria	29,292	6,887,291	Kingdom	Ludwig III
Bremen	99	229,526	Free Town	
Brunswick	1,418	494,339	Duchy	Ernst Augustus
Hamburg	160	1,014,664	Free Town	
Hesse	2,966	1,282,051	Grand Duchy	Ernst Ludwig
Lippe	469	150,937	Principality	Leopold IV
Lübeck	115	116,599	Free Town	
Mecklenburg-Schwerin	5,068	639,958	Grand Duchy	Friedrich Franz IV
Mecklenburg-Strelitz	1,131	106,442	Grand Duchy	Adolph Friedrich VI
Oldenburg	2,482	483,042	Grand Duchy	Friedrich August
Prussia	134,616	40,165,219	Kingdom	Wilhelm II
Reuss (Elder Branch)	122	72,769	Principality	Heinrich XXIV
Reuss (Junior Branch)	319	152,752	Principality	Heinrich XXVII
Saxe-Altenburg ...	511	216,128	Duchy	Ernst II
Saxe-Coburg & Gotha	764	257,177	Duchy	Charles Edward
Saxe-Meiningen ...	953	278,762	Duchy	Bernhard
Saxe-Weimar	1,397	417,149	Grand Duchy	Wilhelm Ernst
Saxony	5,789	4,806,661	Kingdom	Friedrich August III
Schaumburg-Lippe	131	46,652	Principality	Adolf
Schwarzburg-Rudolstadt	363	100,702	Principality	Günther
Waldeck	433	61,707	Principality	Friedrich
Wurtemberg	7,534	2,437,574	Kingdom	Wilhelm II

Bolshevism in the German Republic. Following the Armistice of Nov. 11th and the Kaiser's flight to Holland new changes evolved, the Chancellorship disappeared, Herr Ebert was announced as Premier and Minister of Military Affairs (Nov. 14th), Hugo Haase was in charge of Foreign Affairs, P. Schiedemann became Minister of Finance, Wilhelm Dittmann, Herr Landsberg and Richard Barth were other Ministers—Haase, Dittmann and Barth being of the Independent or extreme Socialist type. Dr. W. S. Solf remained as Colonial Secretary and there was no immediate action against Von Hindenburg as Army Chief—though a little later both he and Ludendorff retired. Karl Liebknecht, with Rosa Luxembeurg and Frank Mehring, the implacable advocates of anarchy and Bolshevism, issued a Manifesto denouncing the late rulers of the country and all classes except their own, all war and all Governments; and urging support to the banners of the

Internationale, to red Socialism and more revolution: "Now is your chance to humiliate your masters. The deeper and more thorough is their humiliation the more assured are your liberties. Lay down your arms you soldiers at the front! Lay down your tools you workers at home! Disregard the counsel of our Kaiser Socialists. No longer allow yourselves to be led by the unworthy politicians who surrendered you falsely into the hands of your masters. Attack the quarters of your officers; disarm them at once. Sailors and Mariners, fraternize! Seize your ships. First overcome your officers; communicate at once with your comrades on shore and in co-operation with them subdue ports and harbour authorities and, if necessary, open fire on loyal groups." These men soon exerted an influence over the Ebert Government and its mixed elements by creating the same form of weakness which had overthrown Kerensky in Russia and given that unhappy country to all the demons of discord. They organized Soldiers' and Workers' Councils and that of Berlin on Nov. 25th made an agreement with Ebert along these lines:

1. All political power is to be in the hands of the German Socialist Republic and the Soldiers and Workmen's Council.
2. Their aim is to defend and develop what has been achieved by the revolution and to suppress all counter-revolutionary activity.
3. Pending the election of representatives of the Soldiers and Workmen's Councils to an Executive Council of the German Republic, the Executive Council in Berlin is to exercise its functions.
4. Before the Cabinet appoints Assistant Ministers the Executive Council must be consulted and a Convention of Deputies drawn from the Soldiers and Workmen's Councils is to be summoned as soon as possible.

This was practically a Soviet Government but the German character was not that of the Russian and when the system proved unworkable the issue gradually took the form of a life and death struggle between moderation of a sort, and extremists of the worst type, with Ebert and Liebknecht as opposing leaders. Out of the ensuing chaos, every kind of fanatical demagogue, or ignorant idealist, or political visionary, came to the surface in the different capitals while the final result pivoted on Berlin. Aid came from the Army chiefs and soldiers to Ebert and much floating Socialist support to the red flag of Liebknecht, Ledebour and their Spartacan followers—as the Bolshevists came to be known. Plot followed plot, disturbances were continuous, Bolshevism, anarchy, were openly preached, all stability in business or finance or trade was gone, work was at a standstill and industries on the verge of ruin, workers in Prague, in Munich, in Liepsic, in Berlin, celebrated conditions by orgies of robbery and dissipation. On Dec. 15th the Spartacans of Berlin promulgated their policy as follows:

Disarmament of all police officers, non-protectorate soldiers and all members of ruling classes.

Confiscation by the Soldiers' and Workmen's Councils of arms, munitions and armament works.

Arming of all grown-up male proletarians and the formation of a workers' army and a proletariat Red Guard.

Abolition of the rank of officers and non-commissioned officers and removal of all military officers from the Soldiers' and Workmen's Councils.

Abolition of all Parliaments and municipal or other councils, the election of a General Council, which will elect and control the Executive Council of the Soldiers and Workmen.

Cancellation of all State and other public debts, including war loans, down to a certain fixed limit of subscription.

Expropriation of all landed estates, banks, coal-mines and large industrial works with confiscation of all fortunes above a certain amount.

Russian money helped the Spartacans, as German money had originally aided the Bolshevists and, at the close of the year, with bloodshed and strife in the streets of Berlin the Government announced the calling and election of a National Assembly for early in 1919 while Haase, Dittmann and Barth (Independent Socialists) retired and left the Majority Socialists in control with Noske, Wissell and Loebe as their successors. Elsewhere than Berlin conditions were chaotic as to forms of government but with a growing tendency to re-organization in such vital matters as transport and food distribution. Bavaria was in a particularly troubled condition with a man named Kurt Eisner—an ignorant but popular character—as Premier and with distinct Bolshevist tendencies in the Munich mobs which obtained power. Poland in its German, Russian and Austrian divisions, was in a bewildered state—the conquered regions of which Warsaw had been the capital suffering chiefly from starvation and every form of privation, poverty and individual misery. Hunger produced disease and the latter, through lack of food and proper nutriment, made the death-rate abnormal; other conditions were illustrated in the tearing down of houses for fuel. A fitful but cruel war with the Bolsheviki was encouraged by the Austro-Germans but in this process they aided the formation of a strong Polish army which eventually opposed the Teutons.

At the close of the year a strong Government had emerged from the ruck with General Joseph Pilsudski as the arbitrary head of a nominal Republic; with conditions in Galicia which caused war with the Ukrainians and a sanguinary struggle over Lemberg and Przemysl; with, also, hostile relations between the Poles and the Germans and a standing menace to the former from General Hoffman who was near the frontier with a large army and said to be making common cause with the Bolsheviki. Every effort was made to organize military forces and Polish troops were brought from France to take possession of the coveted and long-claimed German port of Dantzig. Not the least of local troubles in Poland at this time was the presence of Bolshevist agents everywhere with money in abundance and the object of stirring up trouble between races or classes, or the people and the Government; the Jews were an ever-fertile subject for such discord. Among the States which Germany took possession of, after the Brest-Litovsk Treaty, Lithuania with its 2,000,000 people was proclaimed independent by the Kaiser early in the year and allied to the German Empire by "an eternal steadfast alliance" and by

Conventions regarding military matters, traffic, customs and coinage. The nature of this independence was illustrated by the Kaiser's despatch on the Russian Peace treaty to the President of the Prussian Lower House: "As far as human judgment can foretell, the Germanization of the Baltic Lands is now made secure for all time." The other acquired Russian provinces of Courland, Livonia and Esthonia had for 700 years possessed a ruling-class of Germans; this occupation, with the seizure of the Aland Islands and control of Finland, had for the time made the Baltic Sea a German lake.

Conditions and Changes in Austria-Hungary. Meanwhile Austria had been the sorely-tried but dependent partner of German policy, ambitions and down-fall. Against Russia it had been helpless and would have been beaten without German aid; against Italy there was no chance of real success without German support. Internal disorganization became more obvious in every month of 1918. While a majority of the Austro-Hungarian people and their subordinate races were crying for peace—a peace officially described as without annexations or indemnities—the Jugo-Slavs were demanding autonomy and independence as were the Poles and the Bohemians, or Czecho-Slovaks; only the German population of Austria and a part of the Magyars of Hungary stood squarely behind their rulers and allies. Socialists were everywhere creating dissension during this year; mixed with them from time to time was the anarchical advocacy of Bolshevist disciples; delegates from all the oppressed nationalities of the Empire met at Rome in April and discussed with French and Italian politicians the best means of co-operation against German-Magyar domination. In this racial connection the 1900 census had given statistics as follows:

Germans				11,300,000
Magyars (Hungarians)				8,751,877
Roumanians	Latin		3,030,442	
Italians	Latin		727,102	3,757,544
Poles	Slavic		4,252,483	
Ruthenians	Slavic		3,811,017	
Slovenes	Slavic		1,192,780	
Serbians and Croatians	Slavic		3,442,129	
Czechs and Slovaks	Slavic		7,975,138	20,673,447
Other nationalities				915,604
Total				45,398,472

In 1910 the population was 49,856,940 but there was no serious change in racial distribution. Early in 1918 a crisis in the relations of Germany and the Dual Monarchy developed through the publication of a letter written on Mch. 31, 1917 by Emperor Karl to Prince Sixte of Bourbon in which he advocated a peace upon reasonable terms and recognized the "just claims" of France to Alsace-Lorraine—an action keenly resented by the Kaiser and the German leaders. An apology to the Kaiser smoothed over the break

and accentuated the weakness of Austrian conditions; on May 12th, following the Brest-Litovsk triumph over Russia, the German and Austrian Emperors met at Berlin and renewed the alliance of preceding years. It involved a close military union for 25 years and declared that "only thus shall a future war be of brief duration"; regulations, organization, instruction, Railway construction, armaments and employment of troops were to be based on a common principle and combined action. There was also a preferential customs arranged with reciprocal trade and tariff agreements. As to this, Dr. Von Seydler, Austrian Premier, stated on July 17th that: "Our intimate community with Germany, which we hope to strengthen and extend for the future, constitutes for us, as well as for our Allies, the best guarantee that we shall maintain for all time our place among the states of the world and be able to ensure for our people conditions of free and beneficent development." But this optimism was not well-founded and troubles grew on every hand.

One of these, which only the later collapse of all territorial ambitions disposed of, was the desire of Germany and Austria, alike, to dominate the new State of Poland—to the creation of which both Emperors were pledged. Meantime, food shortages caused ever-increasing dissatisfaction and this was accentuated by the luxury of war-profiteers in Vienna and Buda-Pesth; Socialist papers openly anticipated, in June, the coming collapse of the Dual Monarchy; disorders were rampant in Dalmatia and bands of army deserters took to the mountains of Moravia in numbers which increased swiftly and to a formidable total; the Czecho-Slovak rebellion was officially approved by the British Allies and the new or impending Republic officially recognized by Great Britain and the United States; on Oct. 10th the 80 Polish members of the Austrian Reichsrath met at Cracow, effected a national organization and decided to resign their Austrian seats. Bitter hostilities were expressed at the Hungarian capital; in July Bohemia was ablaze with revolt and everything indicated that "the ramshackle empire" of Lloyd George's description was nearing its end. Finally, in the midst of this welter of conflicting ideals and aims and hostile feelings the Emperor made a desperate effort to hold things together and proclaimed (Oct. 18th) a new policy for Austro-Hungary.

An honourable peace was described as his first aspiration; his second was to "undertake, without delay, the reorganization of our country on a natural and therefore solid basis." Austria must become, in conformity with the will of its people," a confederate State in which nationality shall constitute, on the territory which it occupies, its own local autonomy." At the same time, however, he was addressed by the Lower House of the Hungarian Diet with a demand for complete independence outside of allegiance to the Emperor as King of Hungary. The Emperor's proposals were too late. About the same time a German-Austrian State was nominally constituted at Vienna by Deputies in the Austrian

Reichsrath with Karl Seitz, Socialist, as leader and President, while others constructed at Agram what they called a National Council of Slovenes, Croatians and Serbians; a Czecho-Slovak Republic was proclaimed at Prague composed of Bohemia, Moravia and part of Northern Hungary and the British Government recognized the Polish National Army as being autonomous, allied and co-belligerent. In immediately ensuing months there was a wild and pathetic scramble of Poles in Galicia to rejoin their own people, of Roumanians in the Bukowina to join their Kingdom, of Jugo-Slavs in Carniola, Dalmatia, Croatia, Slavonia, Bosnia and Herzegovnia to get together, of the Italians in Trentino and Trieste and Dalmatia to rejoin Italy. Lead by Count Karolyi, an Hungarian revolution was proclaimed on Nov. 1st, with orders from the King-Emperor to offer no resistance. Meanwhile mutinies of Slavic elements in the Army increased and became more and more diffcult to meet while the Italian victories of November put the final touch of death to the decaying elements of Austro-Hungarian unity. A revolution followed in Vienna and on Nov. 11th helpless and hapless Karl issued a proclamation declaring with some truth, that:

> Since my accession I have incessantly tried to rescue my peoples from the tremendous war. I have not delayed the re-establishment of constitutional rights or the opening of a way for the people to substantial national development. Filled with an unalterable love for my peoples I will not, with my person, be a hindrance to their free development. I acknowledge the decision taken by German-Austria to form a separate State. The people have by their Deputies taken charge of the Government. I relinquish every participation in the administration of the State. Likewise I have released the members of the Austrian Government from their offices. May the German-Austrian people realize harmony from the new adjustment.

Following this event the unification of the Jugo-Slav provinces of Austria with Serbia was announced; at Buda-Pesth the Hungarian People's Republic was officially organized; at Prague Dr. Karl Kramarz became Premier of the Czecho-Slovak Republic under T. G. Masaryk, as President, with a policy of friendship to the *Entente Allies,* of close commercial relations with the Jugo-Slavs and Roumanians and of a high protective tariff against the Germans; at Vienna on Nov. 22nd, Otto Bauer, Foreign Secretary, urged a union of German and Austro-German republics. By the close of the year it was announced that Austro-Hungary's casualty lists in the War totalled 4,000,000 killed and wounded—the former including 800,000 men and 17,000 officers. Before disruption the Austro-Hungarian Debt had risen from its 1914 total of $3,700,000,000 to $18,000,000,000 on Aug. 1st, 1918.

The Evolution of Peace; Collapse of Germany and its Allies.

The collapse of Russia appeared to bring prospects of Peace—a German peace—somewhat nearer and when the Ukraine with its vast food resources, the Baltic regions and Odessa with their possible supplies, and Roumania with its oil-wells, were also added to the area of German power, things began to look promis-

ing to the Teuton mind. Count Czernin, the Austro-Hungarian Foreign Minister, had voiced his country's longing for peace on Dec. 25th, 1917, in the following terms: (1) A general peace without forcible annexations and indemnities; (2) stipulation in Peace treaty regarding the evacuation of occupied territories; (3) political independence of nationalities to be decided by each Government together with its peoples; (4) protection of the rights of minorities; (5) renunciation of indemnification for war costs and war damages; (6) the return of all Colonial territories seized during the war; (7) immediate evacuation of territories occupied by an adversary; (8) removal of all economic restrictions. As to this Mr. Lloyd George in London on Jan. 5th, 1918, described the proposals as "deplorably vague." After analyzing the above clauses the British Prime Minister reviewed the essential conditions of Peace from the Allied standpoint as follows:

1. The first requirement, always put forward by the British Government and her Allies, has been the complete restoration, political, territorial, and economic, of the independence of Belgium and such reparation as can be made for the devastation of its towns and Provinces.

2. Next comes the restoration of Serbia, Montenegro, and the occupied parts of France, Italy, and Roumania. The complete withdrawal of the alien armies and the reparation for injustice done are fundamental conditions of permanent peace.

3. We mean to stand by the French democracy to the death in the demand they make for a reconsideration of the great wrong of 1871, when, without any regard to the wishes of the population, two French provinces were torn from the side of France and incorporated in the German Empire. This sore has poisoned the peace of Europe for half a century, and until it is cured healthy conditions will not have been restored.

4. We feel that, unless a genuine self-government on true democratic principles is granted to those Austro-Hungarian nationalities who have long desired it, it is impossible to hope for the removal of those causes of unrest, in that part of Europe, which have so long threatened its general peace. On the same grounds we regard as vital the satisfaction of the legitimate claims of the Italians for union with those of their own race and tongue. We also mean to press that justice be done to men of Roumanian blood and speech in their legitimate aspirations.

5. While we do not challenge the maintenance of the Turkish Empire in the homelands of the Turkish race with its capital at Constantinople—the passage between the Mediterranean and the Black Sea being internationalized and neutralized—Arabia, Armenia, Mesopotamia, Syria, and Palestine are in our judgment entitled to a recognition of their separate national conditions.

6. With regard to the German Colonies, I have repeatedly declared that they are held at the disposal of a Conference, whose decision must have primary regard to the wishes and interests of the native inhabitants of such Colonies.

7. Finally, there must be a reparation for injuries done in violation of international law.

8. We are confident that a great attempt must be made to establish by some international organization an alternative to war as a means of settling international disputes.

As to the rest Mr. Lloyd George summarized the situation as follows: "We are fighting for a just and a lasting peace—and we believe that before permanent peace can be hoped for three conditions must be filled. First, the sanctity of treaties must be re-established; secondly, a territorial settlement must be secured

based on the right of self-determination or the consent of the governed; and, lastly, we must seek by the creation of some international organization to limit the burden of armaments and diminish the probability of war." Following this address President Wilson of the United States on Jan. 8th, expressed in a Message to Congress, the afterwards famous 14 Points which he deemed essential for a peace settlement and which followed in the main the lines of the British Premier's speech and his 8 Points. He first eulogized the Russian people though in a way which seemed to merge Bolshevist Government, Bourgeoisie victims, varied and eventually hostile republics, maurauding armies and bewildered, befuddled peasantry, or workers, in one great mass of idealistic sincerity: "Their power apparently is shattered. And yet their soul is not subservient. They will not yield either in principle or in action. Their conception of what is right, of what is human and honourable for them to accept, has been stated with a frankness, a largeness of view, a generosity of spirit, a universal human sympathy, which must challenge the admiration of every friend of mankind; and they have refused to compound their ideals or desert others that they themselves may be safe!" The programme of the world's peace, added the President, is "our programme" and he defined it as follows:

1. Open covenants of peace openly arrived at, after which there shall be no private international understandings of any kind, but diplomacy shall proceed always frankly and in the public view.
2. Absolute freedom of navigation upon the seas outside territorial waters, alike in peace and war, except as the seas may be closed in whole or in part by international action for the enforcement of international covenants.
3. The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the Peace and associating themselves for its maintenance.
4. Adequate guarantees given and taken that national armaments will be reduced to the lowest point consistent with domestic safety.
5. A free, open-minded, and absolutely impartial adjustment of all Colonial claims based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the population concerned must have equal weight with the equitable claims of the Government whose title is to be determined.
6. The evacuation of all Russian territory, and such a settlement of all questions affecting Russia as will secure the best and freest co-operation of the other nations of the world in obtaining for her an unhampered and unembarrassed opportunity for the independent determination of her own political development and national policy.
7. Belgium, the whole world will agree, must be evacuated and restored without any attempts to limit the sovereignty which she enjoys in common with all other free nations.
8. All French territory should be freed, and the invaded portions restored, and the wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine, which has unsettled the peace of the world for nearly 50 years, should be righted in order that peace may once more be made secure in the interest of all.
9. A readjustment of the frontiers of Italy should be effected along clearly recognisable lines of nationality.
10. The peoples of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the first opportunity of autonomous development.

11. Roumania, Serbia, and Montenegro should be evacuated, occupied territories restored, Serbia accorded free and secure access to the sea, and the relations of the several Balkan States to one another determined by friendly counsel along historically established lines of allegiance and nationality, and international guarantees of the political and economic independence and territorial integrity of the several Balkan States should be entered into.

12. The Turkish portions of the present Ottoman Empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life and an absolutely unmolested opportunity of autonomous development, and the Dardanelles should be permanently opened as a free passage to the ships and commerce of all nations under international guarantees.

13. An independent Polish State should be erected which should include the territories inhabited by indisputably Polish populations, which should be assured a free and secure access to the sea, and whose political integrity should be guaranteed by international covenant.

14. A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political and territorial independence for great and small States alike.

German Views of Peace and War in 1918. On Jan. 24th, Count Von Hertling, the German Chancellor, replied to these speeches. He accepted (1) publicity for diplomatic arguments; agreed (2) in Mr. Wilson's view as to freedom of the seas but thought British naval bases at Gibraltar, Malta, etc., should be renounced; condemned (3) all economic war and approved removal of economic barriers to trade; expressed (4) willingness to discuss reduction of armaments; demanded (5) "reconstruction of the Colonial possessions of the world"; declared (6) the Russian question to be the sole concern of Germany and her Allies and Russia; described (7) the Belgian question as one for open discussion based upon the alleged fact that Germany had never put forward a definite programme of policy; so (8) with French occupied territory but, as to the other point, "we will never allow ourselves to be robbed of Alsace-Lorraine"; left the Italian-Austrian and Balkan questions (9) to be dealt with by Count Czernin and that of Turkey by its statesmen; declared (10) the Polish matter to be one for the Central Empires to settle and expressed willingness to "investigate the principles" of a League of Nations. Count Czernin, on the same day, expressed approval of some of the 14 points, made no reference to German Colonies or Alsace-Lorraine, declared that "a middle solution" must be found on the Russian embroglio, proclaimed the intention of Austro-Hungary "to fight in defence of her Allies and defend their possessions as she would her own," referred to Italy as having lost her chance of territorial expansion by entering the War, promised consideration of advice as to Austrian Empire internal conditions and supported the creation of an independent Polish State and League of Nations idea. President Wilson again addressed Congress on Feb. 11th, in reply to these utterances and summarized his principles for application as follows:

1. That each part of the final Settlement must be based upon the essential justice of that particular case and upon such adjustments as are most likely to bring a peace that will be permanent.

2. That peoples and provinces are not to be bartered about from sovereignty to sovereignty as if they were chattels and pawns in a game, even the great game, now forever discredited, of the Balance of Power; but that

3. Every territorial settlement involved in this War must be made in the interest and for the benefit of the populations concerned, and not as a part of any mere adjustment or compromise of claims among rival States; and,

4. That all well-defined national aspirations shall be accorded the utmost satisfaction that can be accorded them without introducing new or perpetuating old elements of discord and antagonism that would be likely in time to break the peace of Europe, and consequently of the world.

On the following day Mr. Lloyd George, like the President, accepted Count Czernin's speech as friendly to peaceful effort, but described the German position as insincere and disappointing. On Feb. 25th, the German Chancellor again reviewed the situation and declared that, as to Belgium: "We must be safeguarded from it becoming the object of enemy machinations"; described the Balance of Power policy as an English invention and an expression of England's domination and said that Germany would gladly get rid of it; assented to many of President Wilson's general principles but claimed that England in India, Ireland and Egypt was not carrying out that of self-determination; asserted (just prior to Brest-Litovsk) that in Courland and Lithuania "our chief object is to create organs of self-determination and self-administration!" As to the rest the British Allies were described as ever stirring up new War fury and the Versailles Conference as wanting continuance of the War. Mr. Balfour replied in the Commons on Feb. 27th and declared that there was only one course for the offending nation in this case and that was "unconditional restoration and reparation." Meanwhile German opinion and ambitions appeared to be unchastened—indeed very often the reverse; one result of this condition and the Russian collapse was the Western offensive of 1918. General, Baron Von Freytag-Loringhoven early in this year published his *Deductions From the World War* and it had a wide vogue. The following quotations indicate the facts as above stated:

1. *The Moral of the War.* Our business is to maintain the fundamental ideas of war as they lived in the German Army up to the year 1914, to soak them in the experiences of the present war, and to make the fullest technical use of these experiences.

2. *Militarism.* The spirit of German Militarism, which has enabled us to stand the test of the world war, and which we must preserve in the future, because with it our world position stands or falls.

3. *Sea Power.* Germany must for all time to come maintain her claim to sea power. World power is inconceivable without striving for expression of power in the world and consequently for sea power.

4. *Frightfulness.* The limits of what is permissible are in many ways elastic. A new weapon opens up its own paths, as is shown, for example, by the Submarine war.

The Pan-German party, the party of aggressive war, expanded territory, enlarged and conquering Navy, Mittel-europa power, Berlin to Bagdad policy, Egypt to India ambitions, went still fur-

ther at this time and urged a "German Peace" which, according to Posters in the Dresden district, and elsewhere, included the following clauses: "To exact, in view of our enormous sacrifice in blood and treasure, the minimum terms necessary for Germany's future existence and development; that Belgium, particularly the coast of Flanders with Antwerp, must remain militarily, economically, and politically dependent on Germany; that a real 'Freedom of the Seas' shall be created and that we shall get back our Colonies and Naval bases on an increased scale; to obtain the mineral basin of Brievy and Longwy, which furnishes France with her weapons of attack, and also improvement of our frontiers, especially in the Vosges and, in accordance with the military situation and military opinion; the acquisition of the old Baltic Provinces, and of rich soil for fresh corn-land for German peasant colonization in order to protect the Empire from all future danger of being starved out." Admiral Von Tirpitz still adhered to his opinions and, on May 26th, said: "We must retain Belgium economically, politically and militarily. We need to have the sea free from Anglo-Saxon tyranny for the purpose of obtaining raw materials."

The Socialists at this time were veering in another direction, after their long subserviance to the War-Lord and his military power. Schiedemann, the Majority Socialist leader, declared in the Reichstag on February 27th that: "We fought for the defence of the Fatherland against barbarism and against the *Entente's* plans of conquest. We did not fight for the dismemberment of Russia or the subjugation of Belgium. The Government must remain ready for real peace by understanding. The independence of Belgium must be secured." They did not, however, retract their views of Submarine action and on April 18th Count Von Westarp, the Conservative leader, said: "With the exception of the Independent (Minority) Social Democrats the Main Committee is unanimously of the opinion that the unrestricted U-boat war must continue. It is regarded as a means of attaining peace by making England submissive." On July 22nd, Maxmilien Harden who had fluctuated so greatly in his Socialist-War views, came out in *Die Zukunft* as follows: "International law forbids Germany to retain even one pebble of Belgian streets, and commands Germany to restore Belgium to the conditions before invasion."

Speaking in the Reichstag on June 24th, Dr. Von Kühlmann, German Foreign Secretary, refused to commit his country to any Belgian pledge and defined its war policy as follows: "We wish for the German people and our Allies a free, strong, independent existence within the boundaries drawn for us by history. We desire overseas possessions corresponding to our greatness and wealth; the freedom of the sea, carrying our trade to all parts of the world." Count Von Hertling, the Chancellor, in the same debate expressed assent to President Wilson's 4 Points as "a possible basis for a general world peace" but regretted that no further action had been taken and that the League of Nations' pro-

ject appeared designed to "isolate the uncomfortable upward strivings of Germany, and by economic strangulation to extinguish her vital breath." On July 9th Von Kühlmann had to resign and was succeeded by Von Hintze while Von Hertling again (July 11) stated that there was no change in German policy, asserted that, in the East, Germany stood upon the Treaty of Brest-Litovsk, declared the *Entente* to have instigated the Moscow murder of the German Ambassador. Two weeks later the Socialist journal *Vorwärts* asserted that Germany had made approaches for a Peace Conference through the Spanish Government on the following basis, which the paper considered very reasonable: (1) Germany wants no annexations or indemnities in the West; (2) the Peace treaties with Russia and Roumania may not be questioned; (3) the principle of self-determination of peoples to be settled at a Conference with, also, the fate of Belgium and the Balkan question; (4) the freedom of the seas, the dismantling of Gibraltar and the Suez canal, and the right for Germany to use all coaling stations; (5) the Colonial question to be settled on the basis of *status quo.*

Following these fast and loose approaches to the fringe of Peace discussion Germany found that its Russian peace and the occupation of Russian territory in Finland, the Ukraine, the Crimea and the Baltic Provinces, was not realizing what either its own people or those of Austria had hoped; that Italy was holding Austria in defensive inaction and that, more important still, the Allies on the Western front were carrying out a successful offensive. The month of August was one of apparent doubt, of no further explicit statements by the Teuton Allies and then, in September, came all kinds of Peace utterances and soundings in the deeps of coming defeat. The German Kaiser, on Sept. 5th, at Munich, urged defence against an enemy filled with "the will to destruction"; Baron Burian, who had succeeded Count Czernin at Vienna, urged on Sept. 10th "a calm exchange of views" and expressed the desire to "pave a way for conciliation"; Count Von Eckstadt, Foreign Minister in Saxony, declared (Sept. 10th) that popular confidence was tottering, urged strong action and unity and added that thus "we may win"; at Stuttgart (Sept. 13th) the German Vice-Chancellor (F. Von Payer) intimated the abandonment of demands for indemnification as "the innocent and attacked party" but insisted on restoration of Germany's Colonies and undertook to evacuate Belgium "without encumbrance or reserve." The Treaties with Russia, Roumania and the Ukraine must not be touched and then he proceeded: "We desire to have a disarmament agreement on the condition of complete reciprocity applied not merely to land armies, but even to Naval forces. In pursuance of the same idea, and even going beyond it, we will raise in the negotiations a demand for the freedom of the seas and sea routes, for the open door in all overseas possessions, and for the protection of private property at sea. And, if negotiations take place regarding the protection of small na-

tions, we shall advocate deliverance of countries under Great Britain's domination!"

Austro-German Peace Offensives. On Sept. 14th came the Austro-Hungarian official appeal for negotiations—an invitation to the Governments of all belligerent States to "a confidential and non-binding discussion at a neutral meeting place." It was to be a tentative and irresponsible Conference with the War, meantime, proceeding. In England Mr. Balfour at once stated that there was no hope for Peace in such negotiations and referred to Von Payer's utterance; the United States Government, within half-an-hour of receipt, replied that no proposal for a Conference would be entertained except upon acceptance of Mr. Wilson's 14 points as a basis. Then followed in October the earlier political changes in Germany and appointment of Prince Maxmillian as Chancellor with a policy which involved support of the League of Nations' proposal, willingness to discuss the rehabilitation of Belgium and even the question of indemnity, and persistent efforts to obtain Peace through the influence of the United States. The new proposals took the form of a Note on Oct. 4th from the German Chancellor asking the President of the United States to take steps for the calling of a Peace Conference and "the immediate conclusion of a general Armistice on land, on water and in the air." Prince Max added these vital words:

> The German Government accepts, as a basis for the peace negotiations, the programme laid down by the President of the United States in his Message to Congress of Jan. 8th, 1918, and in his subsequent pronouncements, particularly in his address of Sept. 27th, 1918.

Mr. Wilson replied on the 8th that he would not propose an Armistice while German troops remained on Allied soil and inquired if the Chancellor meant that Germany accepted the principles of the 14 points with only agreement as to details of application for discussion; Herr W. S. Solf, the new Foreign Secretary, answered on the 12th with an assent to the questions asked and declared his Government to be willing, with that of Austria-Hungary, "to comply with the propositions of the President as to evacuation." Two days later the President intimated that such matters as evacuation and conditions of an Armistice must be left to the military advisers of the Allied Governments and that of the United States; denounced the continued "illegal and inhumane practices" of Germany's armed forces and declared that while such actions of "inhumanity, spoliation and desolation" as were being perpetrated in France and Flanders lasted, no Armistice was possible. He added the most unique appeal—one directed to the promotion of internal revolution—ever addressed by the head of one nation to the Government of another:

> It may be that future wars have been brought under the control of the German people, but the present War has not been, and it is with the present War that we are dealing. It is evident that the German people have no means of commanding the acquiescence of the military authorities of the Empire in

the popular will, that the power of the King of Prussia to control the policy of the Empire is unimpaired, that the determining initiative still remains with those who have hitherto been the masters of Germany. Feeling that the whole peace of the world depends now on plain speaking and straightforward action, the President deems it his duty to say, without any attempt to soften what may seem harsh words, that the nations of the world do not and cannot trust the word of those who have hitherto been the masters of German policy, and to point out once more that, in concluding peace and attempting to undo the infinite injuries and injustices of this war, the Government of the United States cannot deal with any but veritable representatives of the German people, who have been assured of a genuine constitutional standing as the real rulers of Germany. If it must deal with the military masters and the monarchical autocrats of Germany now, or if it is likely to have to deal with them later in regard to the international obligations of the German Empire, it must demand not peace negotiations, but surrender.

Herr Solf, in his reply on Oct. 20th, accepted the bitter humiliation of this document and described certain fundamental changes in the Constitution which had recently taken place, with a new Government formed in complete accord with the desires of the Reichstag. He left the details as to an Armistice, however, in the hands of the United States President and, very cleverly, as indeed throughout the correspondence, tried to allocate the United States on the German side in this matter and against its own associated nations, by an expression of trust that "the President of the United States would approve no demand that would be irreconcilable with the honour of the German people and with paving the way to a peace of justice." Mr. Lansing, U.S. Secretary of State, answered on the 23rd, that the President would transmit this correspondence to his co-belligerents but that he felt extraordinary guarantees must be given by Germany and that he did not feel that the principle of a responsible Government had yet been worked out by the German people. Meantime the Austro-Hungarian Government had continued its overtures and on Oct. 7th also wrote to President Wilson, urging the old figment of a defensive war and the new desire to stop the shedding of blood, while accepting the points of the President's January suggestions. The reply (Oct. 18th) insisted upon recognition of the independence of the Czecho-Slovaks and Jugo-Slavs and their right to national freedom as a basis of negotiations. This, the weakened and despairing Government of the Empire, in the midst of its terrific Italian defeat, accepted on Oct. 27th.

The Bulgarian-Turkish Surrender. But the first break in the wall of war did not come from Germany. It came from the Near East, from the region dominated by the Allies at Salonica, from the battle-front so long and desperately maintained in Greece or Macedonia against the advice of many military authorities, from a position which, in the end, contributed so greatly to destroying the *morale* of the enemy, to smashing the co-operation of German-controlled regions in East and West, and the destruction of that Mittel-europa dream which Germany had so nearly realized. On Sept. 25th General d'Esperey, Commander of the Allied Forces, received from the Bulgarian Government a request for an Armistice

with a view to making peace. This was granted on Sept. 30th, and the terms agreed to. Bulgaria was to evacuate all Greek and Serbian territory and demobilize her Armies; surrender all means of transportation, including boats and control of navigation of the all-important Danube; concede free passage through her territory to the Allies and store all arms and amunition under their control; permit the military occupation of strategic points. The Armistice withdrew Bulgaria from the War, gave Roumania an opportunity to re-enter the struggle and join forces with her Allies, and opened a path to Constantinople for the combined Allied armies. These conditions, coupled with the British conquests in Palestine and Mesopotamia and the Arabian successes of the King of the Hedjaz, forced Turkey out of the struggle on Oct. 31st, in an Armistice which involved unconditional surrender and terms of which the most important clauses follow:

1. Opening of Dardanelles and Bosphorus and access to the Black Sea. Allied occupation of Dardanelles and Bosphorus forts.
2. All Allied prisoners of war and Armenian interned persons and prisoners to be collected in Constantinople and handed over unconditionally to the Allies.
3. Immediate demobilisation of the Turkish army except for such troops as are required for the surveillance of the frontiers and for the maintenance of internal order.
4. Surrender of all war vessels in Turkish waters or in waters occupied by Turkey.
5. The Allies to have the right to occupy any strategic points in the event of any situation arising which threatens the security of the Allies.
6. Free use by Allied ships of all ports and anchorages now in Turkish occupation and denial of their use to enemy. Similar conditions to apply to Turkish mercantile shipping in Turkish waters for purposes of trade and demobilization of the army.
7. Immediate withdrawal of Turkish troops from North-west Persia to behind the pre-war frontiers; part of Transcaucasia had already been ordered to be evacuated by Turkish troops; the remainder to be evacuated, if required by the Allies, after they had studied the situation there.
8. Allied control officers to be placed on all railways, including portions of the Transcaucasian railways still under Turkish control. This clause to include Allied occupation of Batoum. Turkey to admit the occupation of Baku by the Allies.
9. The surrender of all garrisons in the Hedjaz, Assis, Yemen, Syria, and Mesopotamia to the nearest Allied commander and the withdrawal of troops from Cilicia, except those necessary to maintain order.
10. The surrender of all ports occupied in Tripolitana and Cyrenaica, including Misurata, to the nearest Allied garrison.
11. All Germans and Austrians, naval, military, and civilian, to be evacuated within one month from Turkish dominions.
12. An Allied representative to be attached to the Turkish Ministry of Supplies in order to safeguard Allied interests.
13. Obligation on the part of Turkey to cease all relations with the Central Powers.

The Collapse of Austria-Hungary. Austria followed next. In the Vienna Reichstath on Oct. 2nd, the Socialist Deputies had demanded peace on the basis of the creation of a League of Nations; no economic warfare and no annexations; the restoration of Serbia, Montenegro and Belgium; revision of the treaties of Bucharest and

Brest-Litovsk; a settlement of the Eastern question on the basis of nationalities; the regulation of the Polish question by Polish constituents; the establishment of autonomy for each nation in Austria-Hungary. In the Hungarian Diet on Oct. 19th, Count Michael Karolyi, Opposition leader, had declared that: "We have lost the war and we ought at least to try to save peace. Those men who heretofore have championed the policy of strengthening the alliance with Germany must go." Count Tisza, the veteran statesman, was equally explicit: "We have lost the war in the sense that we can no longer hope to win the war, with the result that we are now striving after a peace which we can accept." The Emperor Karl saw his new Foreign Secretary, Count Julius Andrassy and Professor Lammasch, the Austrian Premier, on Oct. 27th, and ordered a military capitulation to General Diaz on the Italian frontier—the latter telegraphing Versailles as to terms and conditions. The Armistice was signed on Nov. 3rd, and came into operation on the 4th. It provided for immediate cessation of all hostilities and:

(1) Total demobilization of the Austro-Hungarian army and immediate withdrawal of all forces operating on the front from the North Sea to Switzerland.

(2) Half the divisional corps, and army artillery and equipment to be collected at points indicated by the Allies for delivery to them.

(3) Evacuation of all territories invaded by Austro-Hungary since the beginning of the war.

(4) The Allies to have the right of free movement over all road and rail and waterways in Austro-Hungarian territory and the armies of the Associated Powers to occupy such strategic points in Austria-Hungary as they may deem necessary to enable them to conduct military operations or to maintain order.

(5) Complete evacuation of all German troops within fifteen days, not only from the Italian and Balkan fronts, but from all Austro-Hungarian territory.

(6) The immediate repatriation without reciprocity of all Allied prisoners of war and interned subjects of civil populations evacuated from their homes.

(7) Surrender to the Allies of 15 Austro-Hungarian Submarines completed between the years 1910 and 1918, and of all German Submarines in Austro-Hungarian territorial waters. All other Submarines to be paid off and completely disarmed.

(8) Surrender to the Allies, with their complete armament and equipment of 3 battleships, 3 light cruisers, 9 destroyers, 12 torpedo boats, one mine layer, 6 Danube monitors, to be designated by the Allies. All other surface warships, including river craft, to be concentrated in Austro-Hungarian naval bases to be designated by the Allies.

(9) Freedom of navigation to all warships and merchant ships of the Allied and Associated Powers to be given in the Adriatic and up the Danube and its tributaries in the territorial waters of Austro-Hungary.

(10) The existing Blockade conditions to remain unchanged and all Austro-Hungarian merchant ships found at sea to remain liable to capture.

(11) All naval aircraft to be concentrated in bases to be designated by the Allies.

(12) Allied occupation of Pola.

The German Surrender and Armistice. Following the Austrian surrender it became clear that Germany must soon give way. Not

because of the collapse of Bulgaria, Turkey, and Austria, alone, but because, chiefly, of the mighty strokes of the Allies on the Western front which, coupled with their victories on the Macedonian and Italian fronts, had forced these surrenders and made the coming situation untenable and impossible. The conquest of the Flanders ridges, the crossing of the Lys, the movement for the envelopment of Lille, the capture by the British and French armies of the Hindenburg line between the Scarpe and the Oise, the steady hammering of Mangin's army north of the Heights of the Aisne, the victories of the French troops under Berthelot and Gouraud and the Americans under Pershing in the region between the Vesle and the Meuse—these had a tremendous effect upon the Germans. By the latter actions the menace to Rheims had been removed, the Argonne Forest cleared of the enemy, and the German base at Vouziers imperilled; they had been followed, also, by a steady advance all along the lines with the German armies in forced and continuous retreat. Hence the world-knowledge that Peace was in the air; hence, finally, the Armistice negotiations with Germany, the world-wide expectation of its signature and the cruel hoax of the American United Press Agency, which made many countries and peoples celebrate the cessation of hostilities four days before it actually occurred. On Nov. 11th, the terms of the Armistice were made public as having been duly signed by the German Delegates—the chief clauses being as follows:

1. Cessation of operations by land and in the air, six hours after the signature of the Armistice.

2. Immediate evacuation of invaded countries: Belgium, France, Alsace-Lorraine, Luxemburg, so ordered as to become completed within 14 days from the signature of the Armistice. German troops which have not left the above-mentioned territories within the period fixed will become prisoners of war. Occupation by the Allied and the United States forces jointly will keep pace with evacuation in these areas.

3. Repatriation, beginning at once and to be completed within 14 days, of all inhabitants of the countries above-mentioned, including hostages and persons under trial or convicted.

4. Surrender in good condition by the German Armies of the following equipment: 5,000 guns (2,500 heavy, 2,500 field); 30,000 machine guns, 3,000 minenwerfer; 2,000 aeroplanes (fighters, bombers).

5. Evacuation by the German armies of the countries on the left bank of the Rhine. These countries on the left bank of the Rhine shall be administered by the local authorities, under control of the Allied and United States armies of occupation.

6. In all territory evacuated by the enemy there shall be no evacuation of inhabitants; no damage or harm shall be done to the persons or property of the inhabitants. No destruction of any kind to be committed.

7. All civil and military *personnel* at present employed on evacuated territory shall remain. 5,000 locomotives, 50,000 waggons and 10,000 motor-lorries in good working order, shall be delivered to the Associated Powers within the period fixed for the evacuation of Belgium and Luxemburg.

8. The German command shall be responsible for revealing all mines or delay-acting fuses disposed on territory evacuated by the German troops, and shall assist in their discovery and destruction. The German command shall also reveal all destructive measures that may have been taken (such as poisoning or polluting of springs, wells, etc.) under penalty of reprisals.

9. The right of requisition shall be exercised by the Allies and the

United States armies in all occupied territory. The upkeep of the troops of occupation in the Rhineland (excluding Alsace-Lorraine) shall be charged to the German Government.

10. An immediate repatriation without reciprocity according to detailed conditions, which shall be fixed, of all Allied and United States prisoners of war.

15. Abandonment of the Treaties of Bucharest and Brest-Litovsk and of the supplementary Treaties.

16. The Allies shall have free access to the territories evacuated by the Germans on their eastern frontier, either through Dantzig or by the Vistula, in order to convey supplies to the populations of those territories or for any other purpose.

17. Unconditional capitulation of all German forces operating in East Africa, within one month.

19. The following financial conditions are required: Reparation for damage done. While such Armistice lasts, no public securities shall be removed by the enemy which can serve as a pledge to the Allies for the recovery of or reparation for war losses; immediate restitution of the cash deposit in the National Bank of Belgium, and in general immediate return of all documents, specie, stocks, shares, paper money, together with plant for the issue thereof, touching public or private interests in the invaded countries; restitution of the Russian and Roumanian gold yielded to Germany or taken by that Power.

20. Immediate cessation of all hostilities at sea and definite information to be given as to the location and movements of all German ships. Notification to be given to neutrals that the freedom of navigation in all territorial waters is given to the naval and mercantile marines of the Allies and Associated Powers—all questions of neutrality being waived.

21. All naval, and mercantile marine prisoners of war of the Allied and Associated Powers in German hands to be returned without reciprocity.

22. Surrender to the Allies and the United States of America of 160 German Submarines (including all submarine cruisers and mine-laying submarines) with their complete armament and equipment, in ports which will be specified by the Allies and the United States of America. All other submarines to be paid off and completely disarmed, and placed under the supervision of the Allied Powers.

23. The following German surface warships, shall forthwith be disarmed and thereafter interned in neutral ports, or, for the want of them, in Allied ports, to be designated and placed under the surveillance of the Allies and the United States, only caretakers being left on board—namely, 6 battle-cruisers, 10 battleships, 8 light cruisers, including 2 mine-layers, and 50 destroyers of the most modern type. All other surface warships (including river craft) are to be concentrated in German naval bases and are to be paid off and completely disarmed and placed under the supervision of the Allies. All vessels of the auxiliary fleet (trawlers, motor vehicles, etc.) are to be disarmed.

24. The Allies and the United States shall have the right to sweep up all mine fields and obstructions laid by Germany outside German territorial waters, and the positions of these are to be indicated.

25. Freedom of access to and from the Baltic to be given to the naval and mercantile marines of the Allied and Associated Powers.

26. The existing Blockade conditions set up by the Allied and Associated Powers are to remain unchanged, and all German merchant ships found at sea are to remain liable to capture.

27. All Naval aircraft are to be concentrated and immobilized in German bases to be specified.

28. In evacuating the Belgian coasts and ports, Germany shall abandon all merchant ships, tugs, lighters, cranes and all other harbour materials, all materials for inland navigation, all aircraft and all materials and stores, all arms and armaments, and all stores and apparatus of all kinds.

29. All Black Sea ports are to be evacuated by Germany; all Russian war vessels of all descriptions seized by Germany in the Black Sea, are to be

handed over; all neutral merchant vessels seized are to be released; all warlike and other materials of all kinds seized in those ports are to be returned, and German materials as specified in Clause 28 are to be abandoned.

30. All merchant vessels in German hands belonging to the Allied and Associated Powers are to be restored in ports to be specified without reciprocity.

31. No destruction of ships or of material to be permitted before evacuation, surrender or restoration.

32. The German Government will notify the Neutral Governments of the world, and particularly those of Norway, Sweden, Denmark and Holland, that all restrictions placed on the trading of their vessels with the Allied and Associated countries, are immediately cancelled.

33. No transfers of German merchant shipping of any description to any neutral flag are to take place after signature of the Armistice.

34. The duration of the Armistice is to be 30 days with option to extend. During this period, on failure of execution of any of the above Clauses, the Armistice may be denounced by one of the contracting parties on 48 hours' previous notice.

35. This Armistice to be accepted or refused by Germany within 72 hours of notification.

Development of the Allied Peace Conference; The League of Nations.

All through the year the British Allies and the enemy had discussed in their separated speeches and press the terms of a possible peace; the more prominent the Allied successes the more aggressive were the German Peace offensives. When the Armistice came it was found that the terms were drastic, the conditions such as only a thoroughly beaten and crushed nation could accept; the internal situation of the Teuton Powers almost pitiable. The British and Allied Powers devoted themselves to arranging for the final settlement of the complex terms which Germany must accept, as the basis for what it was hoped would be a permanent peace and including conditions which, it was intended, should be an adequate punishment for the smashing of international law, the destruction of world-order and the creation of a tremendous catastrophe, by German arrangements which would deter all nations from a similar course of action in the future. The work to be done was vast, almost overwhelming, yet in the press discussions of ensuing months little consideration and less kindliness of thought, or comment, were accorded to the men who had borne the tremendous burdens of the War and were now bearing the burdens of re-organizing a shattered world. The subjects for discussion and settlement included:

1. The creation of a Society or League of Nations—against Germany, to include Germany or to exclude her.

2. Reduction of Armament problems—naval and military; the Freedom of the Seas.

3. Economic equality and conditions—Free or partially free trade; Preference or otherwise; inclusion or exclusion of Germany.

4. Questions of Territory—involving also acute and traditional race hatreds and rivalries, religious animosities and complications and including the following detailed problems:

Alsace-Lorraine and the territory on the west bank of the Rhine.

Should Belgium annex additional territory or receive authority over the Scheldt and what should be done with the German Colonies?

What should be done with the German naval base of Heligoland?

Delimitation of the new Italian frontiers in Trent and Trieste; should Italy annex various points on the eastern coast of the Adriatic?

What should be done with Albania and Dalmatia and Fiume and should the Germans of Austria be permitted to unite with Germany?

Delimitation of the Polish frontier; delimitation of the frontiers of the Balkan States and of various new States of eastern Russia and Central Europe.

Should all these small States with more or less conflicting interests be encouraged to remain independent or encouraged to federate?

What should be done with Schleswig and what territory, if any, should Turkey retain in Europe? What should be done with Constantinople?

What should be done with Palestine, Syria, Lebanon, Armenia and Mesopotamia and what annexations, if any, should Japan effect?

What restorations and indemnities should be exacted from the enemy countries and under what conditions?

What boundaries would be given the Poles and the Ukrainians with their conflicting ambitions and the Czecho-Slovaks and Jugo-Slavs of Central Europe?

5. What punishment should be awarded to Wilhelm II and to such violators of the Laws of Nations as General Von Kluck, Admiral Von Tirpitz, General Von Bülow, General Stenger, General Von Boehn, Major Manteuffel in the burning of Louvain, Captain Von Förstner in the murder of the *Falaba* passengers, the men by whose order Hospital ships were sunk and Hospital buildings destroyed?

6. Abolition of Conscription, standing armies, militarism.

7. Questions of International Labour and Social conditions.

8. States and territories of Greece, Bulgaria, Roumania, China.

9. The Russian chaos and Bolsheviki menace.

10. German reparations and the financial situation; the questions as to what degree Germany and her Allies could really pay; the general question of indemnities.

11. The obvious fact that Germany did not admit its responsibility for the War or understand the feeling of other nations toward it.

The Armistice was not peace though many peoples in many countries seemed to think so; occupation of German territory along the lines of the preliminary arrangements followed its signature; the Blockade and general condition of war remained. Meanwhile, discussions continued at Versailles and Paris and, on Dec. 15th, President Wilson arrived in France to attend the Peace Conference. The preliminaries of the Conference were arranged by the Supreme War Council; the essentials of the peace terms were widely discussed and some of them popularily settled in the British general elections of Dec. 6th. Mr. Lloyd George at Bristol on Dec. 11th, declared that Britain would not give up her naval supremacy: "Our Navy is a defensive weapon and not an offensive one, and that is why we do not mean to give it up. We have kept these Islands free from invasion for centuries, and we mean to take no risk in the future." As to Germany and its capacity to pay he added: "(1) As far as justice is concerned we have an absolute right to demand the whole cost of the War from Germany; (2) we propose to demand the whole cost from Germany; (3) we must exact it in such a manner that it does not do more harm to the country that receives it than the country that is paying it." As to the amount the best estimate involved a total of $120,000,000,000,

or, omitting Russian expenditures and claims, $100,000,000,000; estimates of Germany's National wealth in pre-war days were about $80,000,000,000.

Origin of the League of Nations Proposal. The origin of this proposal and policy lay with Great Britain and not the United States; with, in the main, Sir Edward Grey (Viscount Grey of Fallodon) and not President Wilson as its progenitor; with the President's adhesion and advocacy, however, as an essential of practical progress and eventual success. To advocates of Peace in England, to men like Lord Bryce, it was long a familiar though seemingly impracticable idea; so, too, the late Czar of all the Russias when earnestly supporting the Hague Conferences, at a time when his word was very powerful, had some such idea in mind. Sir Edward Grey, as British Foreign Secretary, in one of his last efforts to preserve the peace of the world, telegraphed on July 30th, 1914, to the British Ambassador at Berlin that:

> If the peace of Europe can be preserved and the present crisis safely passed, my own endeavour will be to promote some arrangement to which Germany could be a party, by which she could be assured that no aggressive or hostile policy would be pursued against her or her allies by France, Russia, and ourselves jointly or separately. I have desired this and worked for it as far as I could through the last Balkan crisis; and Germany having a corresponding object, our relations sensibly improved. The idea has hitherto been too utopian to form the subject of definite proposals, but if this present crisis, so much more acute than any that Europe has gone through for generations, be safely passed, I am hopeful that the relief and reaction which will follow may make possible some more definite *rapproachement* between the Powers than has been possible hitherto.

But the ideal remained still in the realms of idealism; the War appeared to shatter even the elusive hopes of those who had advocated it. On Dec. 11th, 1914, however, Mr. H. H. Asquith, as Prime Minister, described this principle as one of the things for which Britain and her Allied nations were fighting: "The substitution for force, for the clash of conflicting ambitions, for groupings and alliances and a precarious equipoise, of a real European partnership based on the recognition of equal rights and established and enforced by common will." In quoting this utterance to the Commons on Dec. 20th, 1917, the Opposition leader, as he had become, said: "That is the League of Nations, with an amplification which we must now make since the United States has joined us. It must be not only a European but a world-wide force. The League of Nations is no new thing engendered in the stress and strain of the War; it was the avowed purpose, from the very first, of the Government and people of the United Kingdom."

Meanwhile, in February, 1915, Viscount Bryce and a group of men in England who had long been seeking some means of organizing the nations for peace, had issued a draft for a League of Nations with certain provisions which they thought should bind its Associated Powers: (1) To refer all disputes, after diplomatic methods should fail, either to an Arbitral tribunal for judicial deci-

sion, or to a Council of Conciliation for investigation and report; (2) not to declare war or to begin hostilities, or hostile preparations, until the Tribunal had decided or the Council reported: (3) to take concerted action, economic and forcible, against any signatory or non-signatory Power that should act in violation of these conditions. Mr. Lloyd George, as the new Prime Minister, gave the idea a certain form and substance in his Guild Hall address of Jan. 11th, 1917, when he spoke with optimism of a future from which the German menace was to be removed: "The peace and security for peace will be that the nations will band themselves together to punish the first peace-breaker who comes out." In his Allied note of Jan. 10th, 1917, Mr. Balfour, British Foreign Secretary, declared that: "Behind international law and behind all treaty arrangements for preventing or limiting hostilities some form of international sanction must be devised which will give pause to the hardiest aggressor."

Early in 1918 Lord Grey of Fallodon issued a little pamphlet in which he pointed out that to be successful the idea must (1) be adopted with "earnestness and conviction" by the Executive heads of States and (2) that "the Governments and Peoples of the States willing to found it, understand clearly that it will impose some limitation upon the national action of each, and may entail some inconvenient obligation. The smaller and weaker nations will have rights that must be respected and upheld by the League. The stronger nations must forgo the right to make their interests prevail against the weaker by force: and all the States must forgo the right, in any dispute, to resort to force before other methods of settlement by conference, conciliation, or, if need be, arbitration, have been tried. This is the limitation. The obligation is that if any nation will not observe this limitation upon its national action; if it breaks the agreement which is the basis of the League, rejects all peaceful methods of settlement and resorts to force, the other nations must one and all use their combined force against it. The economic pressure that such a League could use would in itself be very powerful, and the action of some of the smaller States composing the League could, perhaps, not go beyond economic pressure, but those States that have power must be ready to use all the force, economic, military, or naval, that they possess. It must be clearly understood and accepted that defection from or violation of the agreement by one or more States does not absolve all or any of the others from the obligation to enforce the agreement. Anything less than this is of no value."

The general idea was supported on Feb. 5th by Sir Edward Carson and about the same time by Lord Robert Cecil. On Oct. 10th Lord Grey anticipated the coming of Peace by a speech in which he declared (1) that a League of Nations could not be a substitute for a successful termination of the War; (2) that such a League must be formed at and during the making of Peace; (3) that such a League involved the creation of machinery primarily intended to prevent war and guarantee the peace of the world;

(4) that each nation in the League should be held responsible for the making of armament within its bounds—in other words there should be no irresponsible private construction of war weapons; (5) that Germany should be a partner in any such League; (6) that after all the above conditions had been fulfilled the Pact should include an international police to protect small countries; (7) that such a League could aid the co-operation of international Labour and help to adjust difficulties in international trade.

Meanwhile, in the United States, ex-President W. H. Taft, Cardinal Gibbons, Dr. Lyman Abbott, Hamilton Holt and others of equal eminence, or varied view, had founded a League to enforce Peace, at Philadelphia on June 17th, 1915 with Mr. Taft as President. Its platform was the formation of a League of Nations, including the United States, and the members in which should be bound to (1) submit to a judicial Tribunal all justiciable questions not settled by negotiations or subject to treaties, with other questions, to a Council of Conciliation; to (2) use forthwith both their economic and military forces against any one of these nations going to war or committing acts of hostility before the questions involved should have been submitted as above; to (3) hold Conferences from time to time for the formation and codification of rules of international law. In addressing this League on May 28th, 1916, President Wilson urged "a universal association of nations to prevent war from being begun either contrary to treaty covenants or without warning and full submission of the cause to the opinion of the world." On Jan. 8th, 1918, in giving to Congress his 14 points for Peace, the President included one which urged the formation of "a general Association of nations" for the purpose of affording mutual guarantees of political independence, and peaceful existence. Again, on July 4th, at Mount Vernon, Mr. Wilson summed up certain conditions of peace and specified the following suggestions amongst others:

> The establishment of an organization of peace which shall make it certain that the combined power of free nations will check every invasion of right and serve to make peace and justice the more secure by affording a definite tribunal of opinion to which all must submit and by which every international re-adjustment that cannot be amicably agreed upon by the peoples directly concerned shall be sanctioned.

As the time of the Armistice and of peace negotiations approached, the discussion of this problem increased. Colonel Roosevelt, in the United States, did not want this new internationalism to weaken nationalism or the instincts of self-defence. "Let us," he declared in the *Metropolitan Magazine* of Dec. 14th, "treat the formation of the League as an addition to, but in no sense as a substitute for, our own strength in our own defence. And let us build a genuine internationalism, that is, a genuine and generous regard for the rights of others, on the only healthy basis—a sound and intense development of the broadest spirit of American nationalism." Many in Britain and elsewhere held similar views; in

circles of Imperial thought in British countries there was fear of a system which would over-ride the Empire and substitute Internationalism for Imperialism. The French plan for a League of Nations was somewhat different from the British and American proposals. As presented to the Prime Minister, M. Clémenceau, on Dec. 19th, by Baron D'Estournelles de Constant and Senator Léon Bourgeois, it included (1) Compulsory arbitration without limitation or exception; (2) limitation of armaments; (3) the establishment of a Council of Administration of the nations for the formulation of a new international administration and international law procedure; (4) the application of "sanctions" for making effective the decisions of the Society of Nations. These sanctions were subdivided as follows:

(a) Diplomatic sanction, or the breaking of diplomatic relations with any recalcitrant nation;
(b) Judicial sanction, whereby the Courts of all countries would be closed to a recalcitrant nation.
(c) Economic sanction, whereby the economic means of all nations should be directed against any recalcitrant state.
(d) Military sanction, by which the joint nations would undertake to enforce observance of the decisions of the Society of Nations.

M. Clémenceau, however, had a keen desire to conserve an alliance such as the *Entente,* which would guard the future of France, and had a leaning toward the old Balance of Power theory with the expressed opinion on Dec. 30th that: "If England, the United States, France and Italy had been agreed that whoever attacked one of them attacked the whole the World-War would not have occurred." This limited Alliance President Wilson strongly opposed, and declared at Manchester, England, on the same day that: "If the future has nothing for us but a new attempt to keep the world at a right poise by a Balance of Power the United States will take no interest in it, because she will join no combination of Powers which is not a combination of all." Meantime, Herr Erzberger, the Centrist German leader, had, in September, published a scheme outlining a League in which the initial members would be Germany, Great Britain, France, United States and Russia, organized with headquarters at The Hague and an International Bureau included; there should be one Delegate from each adhering State with the creation of a permanent Council of which the Dutch Foreign Minister should be Chairman. A Court of Arbitration, defence of the contracting nations against all others, especially any one nation disobeying the rules of the League, reduction of Land and Naval forces, divisibility, for the first decade, of each State's surplus of raw materials amongst the other States, with "guarantee of territorial possessions and Colonies to each State of the League" were amongst the clauses!

CHRONOLOGY OF THE WAR IN 1918.*

January.

2. Bolsheviki demanded that Germans withdraw from conquered provinces to allow inhabitants to vote as to their future.
4. British hospital ship *Rewa* torpedoed in Bristol Channel.
5. Germans extended the "barred zone" round the Cape Verde Islands, Dakar, Azores, and Madeira.
10. Trotzky yielded to the German demands that the negotiations should continue at Brest-Litovsk and that Ukrainians be admitted to them.
11. Vice-Admiral Keyes succeeded Vice-Admiral Bacon at Dover. Reorganization of Admiralty.
12. German attack near Verdun repulsed.
14. Italians gained ground east of the Brenta.
14. Yarmouth bombarded by German destroyers; four killed, eight injured.
15. Russian Bolsheviki ordered arrest of King of Roumania.
18. British advance in Palestine.
20. *Goeben* and *Breslau* sallied from Dardanelles, sank the British monitors *Raglan* and *M*-28; *Breslau* driven into a minefield and sunk; *Goeben* damaged and followed by British destroyers, beached at Nagara Point, and there bombed by British aircraft without success.
21. German agreement with Ukraine as to peace. Sir E. Carson resigned from the War Cabinet.
26. British line in France extended south of St. Quentin.
27. *Goeben* refloated and taken to Constantinpole.
28. Italians captured Col. del Rosso.
29. Italians captured Monte di Val Bella.

February.

1. Germany recognized Ukraine Republic.
3. Presence of American troops in the Allied line in France disclosed.
5. American transport *Tuscania* sunk, with 2,400 on board, by submarine; 166 killed.
6. German ultimatum to Roumania, giving her four days to enter Russian peace negotiations.
8. French repulsed German attacks north of Chemin des Dames and Woevre, General Giardina succeeded General Cadorna as Italian member of the Versailles Military Committee.
12. Mr. Lloyd George stated that situation in France had changed owing to enormous German re-inforcements from the East.
13. French captured Tahure salient, in Champagne, General Kaledines committed suicide in Russia.
14. Bolo Pasha condemned to death in Paris.
15. British armed trawler and seven drifters sunk by 10 German destroyers in the Straits of Dover. German Submarine bombarded Dover; one killed, seven wounded.
16. General Sir W. Robertson resigned, and was succeeded as Chief of the Imperial Staff by General Sir H. Wilson.
18. Germans recommenced hostilities in Russia; Dvinsk and Lutsk seized; rapid advance of German forces into central Russia and the Ukraine; many prisoners taken and hundreds of guns.
21. General Allenby captured Jericho.
24. Germans took Dorpat and Jitomir. Bolsheviki abandoned demands and abjectly surrendered at Brest-Litovsk.
25. Germans took Reval, with immense booty, and Pskoff.
26. British hospital ship *Glenart Castle* torpedoed.

Note.—The Author is indebted in part to the London *Times*, the London *Daily Mail Year Book* and to the Toronto *Globe* for these dates as well as to various other sources.

March.

1. German destroyer and two mine-sweepers sunk in a minefield off the Dutch coast.
2. Bolsheviki sign Peace treaty between Russia and Germany. Roumania agreed to make peace.
4. Roumania accepted the German terms under compulsion.
5. German Navy covered disembarkation of troops at the Aland Isles, in the Baltic.
9. General Allenby turned the Turkish position near Shechem. General Marshall occupied Hit, in Mesopotamia.
11. Turks recaptured Erzerum from the Russians.
13. Germans reached Odessa.
18. Holland accepted the Allied demands for use of her shipping in return for supplies of food.
20. Lord Pirrie appointed Controller-General of Shipbuilding.
21. German offensive began against British 3rd and 4th Armies on a 50-mile front; 40 German divisions against 14 in the British 5th Army; Germans broke through and compelled British retreat, with heavy losses.
22. General Allenby crossed the Jordan.
23. Paris shelled by a long-range gun; distance nearly 75 miles.
24. Germans captured Peronne and Bapaume, and claimed 30,000 prisoners and 600 guns. French re-inforcements took over part of British front.
25. Germans captured Noyan and reached the old German line of 1916.
26. Americans engaged in Battle of the Somme; Germans claimed total capture of 963 guns and 100 tanks.
27. Germans took Albert and Montdidier; within 12 miles of Amiens.
28. Great German attack near Arras completely repulsed.
30. Violent fighting in the Luce Valley before Amiens and at Moreuil. General Foch commander of all Allied forces in France.

April.

1. Announced that American battalions will be brigaded with British and French units temporarily. General Marshall in Mesopotamia, 250 miles from Aleppo.
3. German Navy covered the landing of German expeditionary force in Finland.
4. German forces before Amiens captured Morisel.
5. Japanese and British marines landed at Vladivostock, under Admiral Kato.
5. Fresh German attacks on Somme failed.
6-7. French retreated near Chauny; Germans took 2,000 prisoners.
9. Battle of Armentières. Germans attacked on 10-mile front, and penetrated Allied centre near Neuve Chappelle. German attack at Hangard, before Amiens, failed. New Military Service Bill, raising the age to over 50, introduced in British House of Commons.
10. U-boat bombarded Monrovia, in Liberia, on the Coast of Africa.
10-11. Germans captured Plugsteert; British evacuated Armentières; Germans claimed in this quarter 6,000 prisoners and 100 guns.
12. Germans captured Messines and part of the Ridge.
13. Turks captured Batoum, in Russian Caucasus.
14. British evacuated Neuve Eglise; Germans were repulsed at Merville. Germans captured Helsingfors, in Finland, from the Red Guards.
15. Resignation of Count Czernin, Austrian Foreign Minister, as result of M. Clemenceau's publication of Emperor Charles' letter mentioning "the just claims of France to Alsace."
16. Heavy fighting at Wytschaete, which the Germans ultimately captured.
18. German attacks at Givenchy repulsed; French gain in Avre valley, Lord Milner became Secretary of War. Man Power Bill passed.

19. Americans, attacked at Seicheprey, near Toul, inflicted heavy casualties on the enemy.
20. British light cruisers swept the Bight of Heligoland; brush with German destroyers.
22. British Naval raid on Zeebruggé and Ostend; two blockships sunk in channel at Zeebruggé; *Vindictive*, with other vessels, landed storming parties on the Zeebruggé Mole. At Ostend two blockships were run ashore, but not so as to entirely close the channel.
23. Germans repulsed near Bailleul.
24. Germans captured Villers-Bretonneux; German advance towards Kemmel Hill, near Ypres.
26. Germans captured Kemmel Hill. Sir W. Weir became Air Minister.
27. Turks captured Kars.
29. Germans repulsed with heavy loss south-west of Ypres.
30. Arab attack on the Hedjaz railway; 550 Turkish prisoners taken.

May.

1. Turks surprised British brigade near the Jordan and captured nine guns.
5. Australian success at Morlancourt, on the Somme.
6. Russian warships bombarded Mariupol, on the Sea of Azof, occupied by Germans.
7. British captured Kirkuk, in Mesopotamia. General Maurice's letter charged British Ministers with mis-stating the military position.
8. Germans entered Rostoff, on the Don, in S. E. Russia.
9. Germans repulsed at Vormezeele, S. W. of Ypres.
9. British cruiser *Vindictive* sunk as a blockship in the entrance to Ostend Harbour; a passage still remained open.
10. Mr. Baker, U. S. Secretary of War, stated that more than 500,000 American troops had been despatched to France.
12. Italian destroyers sank Austrian transport off Durazzo.
13. German repulse at Kleine Vierstraat, near Ypres.
15. Allies, Japan, and China signed an agreement to prevent German penetration in the Far East. *Bonnet Rouge* trial in France concluded, and Duval sentenced to death.
17. Sixty Sinn Fein leaders arrested in Ireland, among them De Valera.
18. Australian raid near Morlancourt.
18. German submarine, U-39, bombed and damaged by the French; interned at Cartagena in a damaged state.
20. French success at Locre.
23. British armed merchantile cruiser *Moldavia* torpedoed and sunk; 56 American troops on board killed by the explosion.
25-6. Italian success in Adamello passes; 870 prisoners, 12 guns taken.
27. German offensive resumed on large scale; 30 divisions attack 8 Allied divisions between Soissons and Rheims; capture of Chemin des Dames; reached and crossed the Aisne, advancing 12 miles. Minor attack by Germans repulsed by French between Locre and Vormezeele. Renewed long-range bombardment of Paris with 9.4-in. gun.
28. Germans advanced south of the Aisne, and took Courcy; 25,000 prisoners claimed.
29. Germans captured Soissons after very severe fighting, and advanced north of Rheims; they claimed that: "The booty in artillery and war material is tremendous; guns of every description, up to railway guns of the heaviest calibre, were captured"
30. Allied victory west of the Vardar.

June.

1. Germans reached the forest of Villers Cotterets, 40 miles from Paris; Fort la Pompelle, at Rheims, lost and retaken by the French. British cavalry retirement from Kirkuk, in Mesopotamia, announced.

2. French counter-attack between the Ourcq and Marne; Germans held and some ground gained.
3. Fluctuating battle between Soissons and Noyon.
4. German attacks slackened; enemy driven out of Forest of Retz.
4. German submarines off American coast sank several vessels.
5. German attempt to cross the Oise.
6. Hospital ship *Koningin Regentes*, carrying British delegates to treat regarding exchange of prisoners, treacherously torpedoed and sunk.
7. Allies made local gains near Rheims.
9. Germans attacked from Montdidier to Noyon; French retired five miles in centre; Germans reached Ressons-sur-Matz.
9. Austrian Dreadnought *Szent Istvan* and another torpedoed by Com. L. Rizzo, of the Italian Navy. Austrians admitted loss of *Szent Istvan*.
10. Germans advanced to Valley of the Aronde, but were then counter-attacked and forced back. Australian local success south of Morlancourt.
11. French counter-attack recovered Belloy and took 1,000 prisoners on a seven-mile front. Austrian defeat at the Tonale Pass.
14. German attack towards Compiègne held. Turks announced capture of Tabriz, in Persia.
15. Austrian offensive from Asiago to the sea opened, with 40 divisions (600,000 men) on the Italian front; Piave crossed at Montello and near the mouth.
16. Austrians held in very heavy fighting everywhere except at Montello, where they stormed the ridge, and at the Piave delta, where they took Caposile.
17. Heavy fighting on Piave, in which Italians had upper hand.
18. Piave rise in flood put Austrians in danger; Italians advanced near Caposile.
19. Austrians driven back on the Montello.
19. British squadron swept Bight of Heligoland, and was engaged by German seaplanes, of which one was shot down.
20. Further Italian successes on the Piave; more of the Montello cleared, and Cortellazo, at the Piave mouth, taken.
22. Austrians retreated, but found the Piave in flood.
23. Austrians driven over the River with loss of 16,000 prisoners, in all, since opening of battle.
24. Italians recovered right bank of Piave; 20,000 Austrians prisoners.
25. Italians re-took Caposile bridgehead.
27. *Llandovery Castle*, hospital ship, sunk and many survivors murdered, by a German submarine off the Irish coast.
28. French attacked between the Aisne and Villers Cotterets Forest, and took 1,000 prisoners. British local advance east of forest of Nieppe.
29. General Dieterich's force of Czecho-Slovaks secured control of Vladivostock.
30. Italians took Col del Rosso.

July.

1. Americans captured Vauz, near Château-Thierry.
1. U. S. transport *Corrington* torpedoed; six killed.
2. Italians defeated Austrians in Piave delta. President Wilson announced that over 1,000,000 American troops had sailed for France.
3. French advanced at Moulin-sur-Tousvent. Death of the Sultan of Turkey.
4. Australian and American local success south of Somme.
6. Count Von Mirbach, German Ambassador at Moscow, assassinated. Italians completed clearance of Piave delta, bringing total of prisoners, since opening of Austrian offensive, to 24,000.
8. Italian success in Albania, supported by British monitors; Czecho-Slovaks occupy Irkutsk.

9. Von Kühlmann succeeded as German Foreign Minister by Admiral Von Hintze.
10. General Horvath formed a Siberian Government in E. Siberia.
11. United States supply ship *Westover* torpedoed; 10 killed.
12. Allied landing on the Murman coast, in Russia disclosed.
14. Czecho-Slovaks captured Kazan.
15. Germans opened third offensive on a front of 50 miles east and west of Rheims. East of Rheims the Germans held by General Gouraud; west, the Germans advanced and crossed the Marne. The Allies, ready for the attack, shelled the Germans as they moved up, inflicting heavy loss.
16. French held on firmly east of Rheims; Germans advanced towards Epernay from the Marne; very severe fighting. The Austrian Commander-in-Chief, Conrad von Hetzendorf, removed from command. Murder of Nicholas II, Emperor of Russia.
17. Germans made further gain towards Epernay, but were generally held.
18. Great French counter-attack delivered by Generals Mangin and Degoutte, who advanced eight miles between Soissons and Château-Thierry.
19. Allied advance continued; heavy captures of prisoners and guns. British recaptured Meteren, on the Ypres front.
19. British fleet swept Bight of Heligoland, and its aircraft bombed Zeppelin sheds at Tondern, destroying two Zeppelins; four British machines lost, three in neutral territory.
20. Steamer *Justicia* sunk after long struggle with several submarines; one German submarine sunk by the destroyer Marne.
20. Germans re-crossed the Marne; German loss to that point 20,000 prisoners, 400 guns; Americans shared in the advance.
21. French re-captured Château-Thierry; British, attacking west of Rheims, took Marfuax, but were forced back from it.
21. German submarine sank small craft off Cape Cod, on the American coast.
22. Allies crossed the Marne. In Albania they advanced, capturing over 3,000 prisoners.
23. British regained Marfaux; French advanced north of Montdidier, towards Avre.
25. Czecho-Slovaks took Sombirsk, on the Volga.

August.

2. French recaptured Soissons and Ville-en-Tardenois. Allies landed at Archangel and were received with great enthusiasm by the people.
3. Germans driven across the Vesle.
3. Ambulance ship *Warilda* torpedoed; 112 wounded were drowned.
4. Allies took Fismes, and crossed the Vesle at several points. Japanese embarked for Vladivostock. Ancre salient evacuated by Germans.
6. French local advance north of Montdidier. Germans delivered local attack on British near Morlancourt.
7. Mr. Lloyd George announced that at least 150 German submarines had been destroyed in the war.
7. British recovered ground lost at Morlancourt.
8. British 4th Army and French 3rd Army attacked, under Sir D. Haig, with tanks, from Albert to north of Montdidier; Germans completely surprised, and Allies broke through line, taking thousands of prisoners and hundreds of guns.
9. British advance continued; General Humbert's French army attacked south of Montdidier. Germans on Lys retreated.
10. Montdidier captured and Amiens freed from danger by Anglo-French advance.
11. Skirmish between British and German light naval forces on Frisian coast; Zeppelin destroyed, and six British motor-boats lost, but crews saved.
11. Japanese troops arrived at Vladivostock.

12. British raided Jerusalem-Shechem positions of enemy.
13. British Government recognised Czecho-Slovaks as an allied nation. French captured most of Lassigny tableland.
15. British troops crossed the Ancre. It was announced that British troops had been sent to Baku, *via* Persia and Enzeli.
18. Mangin attacked between Oise and Aisne.
20. Rapid advance by Mangin's French army, and capture of 81,000 prisoners south of the Oise.
21. Byng, with the 3rd British Army, attacked north of the Ancre, reaching Achiet-le-Petit. Mangin's advance continued.
22. British attacked between Ancre and Somme; Albert taken.
23. British advanced on a 30-mile front pressed; Bray captured; thousands of prisoners taken. Mangin seized the line of the Oise and Ailette.
24. British stormed Thiepval ridge.
25. British successes continued; 17,000 prisoners in the advance.
26. British attacked on both banks of Scarpe, east of Arras, and took Monchy.
27. General British advance continued; Delville Wood captured, also Roeux, Greenland Hill, and Gavrelle. Roye captured by the French.
28. German retreat between Scarpe and Aisne; Croisilles, Chaulnes, and Nesle taken by Allies.
29. British captured Bapaume; French took Noyon. Mangin crossed the Ailette.
30. Canadians pushed up to the Wotan or Hindenburg "switch" line at Hancourt. British occupied Bailleul.
31. British Embassy at Petrograd attacked by Bolsheviki, and Captain Cromie, the British naval attache, brutally murdered.

September.

1. Australians took Peronne.
2. Canadian and British troops broke through the Hindenburg "switch" or Wotan line, on a front of several miles, routing the Germans.
3. Mangin's advance threatened the flank of the Crown Prince's army on the Vesle. British gains east of the Wotan line.
4. British pushed up to the line of the Canal du Nord, west of Cambrai, and continued their advance over the old Somme battlefield. German retreat from the Vesle begun; enemy energetically pressed by the French and Americans.
6. Names of 150 German submarine commanders killed or taken prisoner by British Admiralty made public.
8. British and French at most points in contact with or close up to the old Hindenburg line of June, 1917, from Cambrai to near Soissons.
10. *Galway Castle* sunk by a submarine, and 154 persons killed.
12. Americans attacked on both sides of St. Mihiel, south-east of Verdun, and made good progress.
13. Americans cleared the St. Mihiel salient, taking 15,000 prisoners and 200 guns.
14. Americans advanced to within 10 miles of Metz.
16. Allies broke through the Bulgarian front north-east of Monastir, capturing 3,000 prisoners and 24 guns.
17. Rapid advance of Allies, and particularly of Serbian Army, north-east of Monastir.
18. British in Palestine attacked the Turks west of Jordan and seized the road junction of El-Mugbeir. British and Greek armies attacked near Salonica to hold Bulgarians.
19. Anglo-French force under Sir Edmund Allenby broke through the Turkish front in Palestine between the coast and Rafat. Cavalry swept through and moved to seize the Turkish lines of communication. In the Balkans, Bulgarian 1st Army retreated in confusion before the Serbians.
20. British in Palestine seized Nazareth.

21. Serbians reached the Vardar, turning the Babuna pass and seizing the Railway from Salonica to Uskub.
22. Allenby reported 25,000 prisoners and 260 guns; two Turkish armies annihilated. Serbians continued pursuit of Bulgarians; rapid progress towards Uskub.
26. Allied attack from Champagne to the Meuse. Americans advanced seven miles.
27. British attacked south of Sensee River.
28. Bulgaria asked for Armistice. New offensive of British-Belgo force in Flanders. Franco-American advance.
30. Dixmude reported taken by Belgian and British forces. Further success at Cambrai. Bulgarian envoys at Salonika made unconditional surrender, and hostilities ceased between Bulgaria and the Allies.

October.

1. French entered St. Quentin. After ferocious fighting British gained footing in Joncourt; Cambrai surrounded by British and Canadians. During September the British captured 66,300 prisoners and 700 guns. In August and September the total was 123,618 prisoners and 1,400 guns. Damascus occupied by the British army of Palestine and 7,000 Turks surrendered.
3. British smashed a large and vital section of the German line between St. Quentin and Cambrai. French captured Cormisey, north-west of Rheims. British passed through Lens and occupied Armentières. Austrians evacuated Albania. Greece began occupation of Eastern Macedonia.
4. Americans carried their lines from two to three miles forward between Argonne Forest and the Meuse, British reached within five miles of Lille. Prince Maximilian of Baden, appointed German Chancellor.
6. Central Powers forwarded to President Wilson a request for Peace negotiations. British took Fresnoy. French and Americans smashed through two foe positions in the Champagne district over a wide front. Dr. Solf appointed German Foreign Secretary. General Allenby marched 33 miles past Damascus north-west.
7. French marines occupied Beyrout, chief seaport of Syria. British advanced six miles north of the Scarpe and took Oppy. French occupied Berre-au-Bac. Franco-Americans advanced north and north-east of Rheims. Americans made gains in Argonne Forest.
8. President Wilson in reply to Germany said invaded territory must be evacuated before negotiating an armistice. British and Americans advanced three miles on twenty-mile front between St. Quentin and Cambrai. French made gains north-east of St. Quentin and took Bellecourt farm and Rouvroy. Turkish cabinet resigned.
9. Canadians first to enter Cambrai, which was occupied by the British. Since August 21 the British captured 110,600 prisoners and 1,200 guns. Anglo-French forces compelled a general retreat of the Germans north and south of St. Quentin. Americans captured Argonne Wood.
10. British captured Le Coteau and advanced several miles beyond Cambrai. Germans torpedo the mail-boat *Leinster*, from Dublin to Holyhead, with a loss of 480 lives, including a large number of women and children.
12. Japanese reached Irkutsk in Siberia.
13. French took Laon, La Fêre and Gobain Forest. British occupied outskirts of Douai. Text of Germany's reply to the President's note received. Serbs and French occupied Nish.
14. French took Roulers by assault. King Ferdinand of Bulgaria abdicated.
15. Allies took Menin—King Albert commanding. Americans drive in a wedge at Kriemhilde, north of Verdun.
16. Americans took Grand Prè, on the north bank of the Aire, north of Argonne Forest. Germans in north Belgium retreated on a gigantic scale.

17. Germans evacuated Lille and Douai. Ostend entered by Admiral Keyes' British sailors, and Belgians entered Bruges. Hungary declared independence.
18. Belgian coast cleared of the foe. Allies occupied Zeebruggé, Roubaix and Turcoing. Czechs took possession of Prague. 15,000 Germans cut off by Belgian advance entered Holland and were interned. Le Coteau taken by Canadians.
19. French and Belgians with British drove Germans beyond the Lys. French reached the Hunding line in the Champagne and took St. Germain.
21. Franco-Serbs reached the Roumanian border.
22. British entered west suburb of Valenciennes.
23. German note to President Wilson asking for an armistice sent on to Allies. United States troops progressed in Argonne Forest and on the north bank of the Meuse.
24. British overcame resistance on the battle-front between the Sambre Canal and the Scheldt.
25. King Boris succeeded to Bulgarian throne. British took Kerkuk, 155 miles north-east of Bagdad. French crossed the Serre River.
26. Aleppo occupied by the British.
27. Italians and British crossed Piave River. General Ludendorff resigned the German Command.
28. Americans captured Belleau Wood on the heights of the Meuse. Austria sent request to U. S. Secretary of State asking for an immediate armistice. Financial panic in Germany.
29. Bohemia became a Republic.
30. Turkey surrendered unconditionally; the entire Turkish force on the Tigris captured.
31. Revolutionists in Austria declared a republic. Austrians in flight east of the Place.

November.

1. 1st American army on a 15-mile front north of Verdun advanced four miles at several points and, aided by French, freed a dozen towns. Allies gave their armistice terms to Austria. Italians crossed the Livenza River and occupied all the coastal region along the Adriatic.
2. British and Canadians took Valenciennes.
3. Austria signed the Armistice. Serbs re-occupied Belgrade. Italians took Trieste and Trent. French and Americans cleared the Argonne region of the enemy.
4. British and French captured 14,000 prisoners and took several strong positions between the Sambre-Oise Canal and Valenciennes. Austrians ceased fighting according to terms of armistice.
5. Americans crossed the Meuse at three points below Stenay. Germans retreated on a 75-mile front from the Scheldt to the Aisne.
6. Germans ordered retreat across the Meuse on front of the American army. German armistice delegation reached the Allied lines. Italians began to occupy Austrian territory.
7. Americans took Sedan. German fleet revolted and Kiel seized by Soldiers' Council. Prince Henry of Prussia in flight. A false report that the Armistice with Germans had been signed caused premature celebrations in the United States and Canada.
8. The Kaiser declined to abdicate on the demand of the Socialists. German delegation reached French headquarters at 9 a.m. and the terms of Armistice were handed them to be accepted or rejected in 72 hours. Prince Maximilian of Baden resigned German Chancellorship. Republic declared in Bavaria.
10. Friedrich Ebert appointed Chancellor of Germany. Soldiers' and Workmen's Councils formed throughout the country. Kaiser and staff escape, crossed the Dutch frontier and found a haven as guests of Count Von Bentinck near Utrecht. King of Wurtemberg abdicated.
11. Armistice between Germans and the Allies signed at 5 a.m. Paris

time and hostilities ceased at 11 o'clock. Canadians captured Mons a few hours previously. Joyous celebration of peace throughout Canada, Britain and the Empire and in the United States. Terms of Armistice meant unconditional surrender. King of Saxony and Grand Duke of Oldenburg dethroned. Grand Duke of Mecklenburg abdicated.

12. Emperor Karl of Austria abdicated. Republic proclaimed in Berlin. Germans began evacuation of France and Belgium. New Roumanian Government declared war on Germany. All-Russian Government at Ormsk supported by Free Russia.
13. Allied fleet arrived off Constantinople. Germany appealed to the U. S. for food. Republics proclaimed in Wurtemburg and Hesse. Crown Prince of Germany interned in Holland.
14. Germans in East Africa surrendered.
17. French troops made State entry into recovered Lorraine.
20. King Albert made triumphal entry into Antwerp. Twenty German submarines surrendered to the British at sea 30 miles off Harwich. Budapest acclaimed entry of the French. Allied fleet entered Black Sea ports.
21. Surrender of the German High Seas fleet to British Navy about forty miles from the entrance to the Firth of Forth—nine Dreadnoughts, 5 battle cruisers and 50 destroyers being given up.
25. Socialist troubles in Berlin. Re-occupation of Alsace and Lorraine by French received with rejoicing.

December.

1. Formal abdication of the Kaiser, dated Nov. 28th, published at Berlin. American troops crossed the frontier into Prussia and occupied Treves. British troops crossed frontier and proceeded towards the Rhine.
2. British War Cabinet decided to press Holland for the extradition of Wilhelm II.
3. Evacuation of Finland by German troops nearly completed.
6. The Crown Prince of Germany reported to have renounced succession to the throne on December 1. Von Hindenburg and other leading Generals declared in favour of the Ebert Government. Serious riots in Berlin.
7. "Britain Day" celebrated in the United States.
11. Lloyd George places the War Bill of the Allies at 24 billion pounds sterling.
13. British and Belgian Royalty paid honours to the memory of the English Nurse Cavell at her grave in Brussels. President Wilson landed at Brest, France, and was enthusiastically received by vast crowds. A British squadron reported at Revel. British troops commenced the occupation of the Cologne bridgehead. U. S. Naval force took command of the Austrian naval base Pola.
14. Marshal Foch extended the Armistice with Germany till January 17, the Allies reserving the right to occupy neutral zone on the right bank of the Rhine to the Dutch frontier. President Wilson given a tremendous ovation in Paris. French troops occupied Mayence.
16. Wilhelm II declined to leave Holland. Dr. Solf resigned as Imperial Secretary of Foreign Affairs in Germany.
18. Plans made to bring Canadian soldiers back at the rate of 30,000 monthly. National Conference of Soldiers and Workmen's Council held in Berlin.
21. New Jugo-Slav Cabinet formed with M. Protitch as Premier.
25. Allied Governments decided against further military intervention in Russia for the present. Ten U. S. battleships returned from European waters.
26. President Wilson landed at Dover and proceeded to London, where he was received with royal honours and given a stirring welcome.
29. Returns of the British elections gave the Lloyd George Government a majority of more than 250. Sinn Feiners declared an Irish Republic.

THE BRITISH EMPIRE IN THE WAR

War-Work and Position of Great Britain in 1918.

Canadians hardly realized during this year or, indeed, at any time during the progress of the War, what a tremendous part in the conflict Great Britain had maintained from its inception. The Americanized cable system and despatches, which the Canadian press shared in common with that of the United States, slurred over the great deeds of the Army, the silent power of the Navy, the admirable poise and endurance of the people, the immensity of the sacrifices involved, the greatness of the industrial, financial and general achievements of the nation. The same influences magnified the inevitable troubles or frictions of the period until the greatest and most war-united effort of any people or period in the world's history was, at least partly, buried in a bog of petty controversies. It was all very natural in the press of a foreign Power such as the United States with its long traditions of rivalry between American and British interests and a regard, chiefly, for its own concerns; it was regrettable so far as the sentiment and action and national policy of a British Dominion such as Canada was concerned. Yet, it must be said, that the Americans were most appreciative in all the higher and better realms of thought and comment; the contributed articles, war studies and editorials of many journals such as the New York *Tribune* or *Times* were of the most brilliant and conspicuously fair character. No Briton, for instance, could have paid his own nation a finer tribute than the following from the Philadelphia *Ledger* of August 9, 1918:

England's contributions outside the Western front have been worthy of a great nation, even if they stood alone. Her Navy has kept the seas free for the commerce and the troop transports of the Allied world. It has bottled up the German Navy from the first. Her ships have coaled, fed, and munitioned the Italians—for a time fed and munitioned the French—brought legions and food supplies from the Seven Seas. We are proud of our own swift shipment of troops to the firing line during the soul-shaking danger this last summer; but well over half of them went in British bottoms convoyed by British warships. Then, where have not the British fought? The Suez was in danger. It was the British that protected it. There were German naval stations in the Pacific. The British mopped them up. Russia asked help by way of the Dardanelles. The British tried to give it. Intervention was needed on the Tigris. The British supplied it. The British were at Salonica. British ships were in the Adriatic. The British Colonial troops freed Africa from the Germans. British diplomacy steadied the Moslem world when the Turkish Sultan and his Sheik-ul-Islam proclaimed a Holy War. The British to-day are moving south from Archangel and are at Vladivostock. Britain financed the Allied nations till we came in to share the titanic task. Her industries have clothed, munitioned, and supplied them in various vital ways. The Germans say that she has prolonged the war. By that they mean that she has kept up the fighting spirit of the Allies and supported their *morale*. The Briton is a dour fighter and knows no end to a struggle save victory or death. He never fights a limited liability war—he goes in with his

whole soul. But no one, save the German Intelligence Department, has known or ever will know half of what Britain has done. When it comes to self-laudation the British are the poorest advertisers the world has ever seen.

In 1918 Great Britain was in the 5th year of this tremendous struggle, with its back bent to burdens so great that no sane man, a few years before, would have deemed it even thinkable for a nation to bear them; the United States was fresh to the fray with more than twice the British population and with its vast resources and energies only just beginning to feel the weight of the conflict. In 1917 the British enlistments of 800,000 men during the year had about equalled the casualties; huge industries had to be maintained for shipping munitions and in war production of a most varied and vital nature; large reserves had to be raised and kept in England, as being cheaper and better than behind the crowded lines in France and poured, from time to time, into the areas of battle. In May 1915 the Germans were turning out 250,000 high explosive shells a day and the British 2,500; in December of that year British production had doubled, in June 1916 it was 9 times as great and in June 1917, 28 times.

Despite the despatch of one-half of Britain's workingmen to the front the output of steel had increased from 7 million tons in 1914 to 12 million in 1918 with, in the latter year, 90 national arsenals and 5,046 Government-controlled factories in Great Britain which worked day and night on munitions and supplies; while over 5,000,000 women shared in the war-work of the nation and replaced men in countless spheres of effort. In August 1914 Britain had 4,000,000 tons of warships and in 1918 6,000,000 tons. During 1917 there were added to cultivation 1,000,000 acres with an additional production of 850,000 tons of cereals and 5,000,000 tons of potatoes while immense areas of Mesopotamia and Egypt had been put under British cultivation. As to finance the National Debt had grown from 3,500 million dollars to $40,000,000,000 and the taxes from 1,000 to 4,000 millions. The efforts of 1918 were even greater than those of previous years and Lord Curzon of Kedleston, during a speech in London on July 29th, summarized the situation as follows:

Of the million American soldiers landed in France in the last fourteen months, nearly 60 per cent. have been carried by British tonnage. In July we conveyed 200,000 Americans to France. We are fighting seven distinct campaigns ourselves in France, Flanders, Italy, Salonica, Palestine, Mesopotamia, Persia, and East Africa—and we have raised over 7,000,000 men. We have millions of soldiers fighting abroad—not one on British soil. Thousands have shed their blood for the defence and emancipation of other lands. We have proved ourselves to be the knights-errant of civilization. We have been the feeder, clothier, baker, armourer, and universal provider of the Allies, and without our aid the superb effort could not have been put forward by France. We carried over 50 per cent. of the coal by which the furnaces and forges, the railways, and arsenals of France were fed; 60 per cent. of the cereals which kept her army and people; and we have 1,000,000 tons of shipping in the service of France at this moment. We also have 500,000 tons of shipping in the service of Italy, and we have carried small arms, ammunition, machine-guns, blankets, socks, wool, cotton, and jute, the latter to clothe

the soldiers of France and her people. We have carried the entire supply of frozen meat and petrol for Salonica.

What we have done for France we have done for all the Allies. Since the war began we have carried 24,000,000 tons of stores for the Allies, and the total value of our shipping contracts for them was £17,000,000 sterling. Northampton, Kettering, and Leicester have provided the footgear for the Allies, and have turned out altogether 60,000,000 boots. We have supplied 2,000,000 respirators to the Italian army to enable them to breathe the air of victory in the forthcoming months. We have dislocated our trade, reduced our own consumption, rationed our coal, sold or pledged our British securities, and incurred losses in this respect in many parts of the world. At present there are 260,000 men in this country engaged exclusively in the industrial service of the Allies; 375,000 men are digging coal, one million men are doing industrial work for the Admiralty, and 1,500,000 men are engaged in munition work, a large proportion working not for us alone, but for the Allies as well.

As to man-power the strain in Britain in 1917-18 was very great; the above facts indicate it, the casualties proved it. During the War the official totals made public in December 1918 showed 3,049,991 British Empire casualties on all fronts with 658,665 killed. Taken by years the British casualties in officers and men were as follows: August, 1914 to December, 1915, 550,000; 1916—650,000; 1917—800,000; and the first six months of 1918 an estimated 500,000. Meanwhile, the demand for men during this last year had been very strenuous and, on Jan. 14th, Sir Auckland Geddes, Minister of National Service, announced that 500,000 more men must be raised at once. To do this there were three proposed courses of action: (1) Lowering of the military age; (2) raising the age limit; (3) compulsion for Ireland. He did not say which would be done but that the Government had determined to take a large number of young men engaged in essential industries and also to take steps to maintain the industries after the young men were withdrawn. More than one million men were at this time exempted on occupational grounds. The Government, he said, had divided the essential industries into three classes. From the first it would take no men; from the second about half of the fit men, and from the third class about one-third. Eventually the men were obtained by a serious combing out process and by doing some things the Minister had deprecated but, in the result, they did not lessen the actual virilty of British industrial production. Under the terms of this Man-Power Act the chief changes were as follows:

1. The raising of the military age to 50 years.
2. The enactment of the principle that Irishmen were liable to compulsory military service for the defence of the Empire on the same terms as Englishmen, Scotsmen and Welshmen.
3. A complete recasting of the system of appeal and exemption.
4. An immediate withdrawal of exemption from men in Grades 1 and 2 within the military age limits, with the exception of those engaged in vital national work such as shipbuilding, agriculture, and the manufacture of aeroplanes, guns, tanks, and other munitions of war, and of others of proved indispensability.
5. The bringing of clergymen and other ministers of religion within the orbit of the Service Acts by the offer of non-combatant work.
6. The rescission of the decision that men should not be sent to serve

abroad before the age of 19 years, subject to the condition that the military age should not be brought below 18 years, and that, if lads were sent abroad before they were 19 years old, they should not be used for service in the front line.

7. The application of the same measure to men in clerical employment under the Government as to men in civilian employment elsewhere.

8. The abandonment of the principle by which so-called luxury trades had been allowed to keep (at a minimum) the framework of their businesses in being, and a definite assertion that the imperative needs of the State must over-ride all private considerations.

9. The renewal of the pledge that no form of Industrial conscription should be introduced, but that the new measures should be solely directed to military objects.

Meantime the Government had to be carried on and, in the midst of such national and world-wide burdens as no man had ever before borne, the British Prime Minister continued the task of domestic diplomacy which had taken the place of playing politics. Labour had to be conciliated constantly and held straight in line; Ireland had to be handled with gloves backed by steel and the powerful Ulster interests held in check while the Home Rulers, or Sinn Feiners, were, if possible, smoothed over; the Liberal party still existed, the Pacifists were very troublesome, Germanized propaganda was always present in one form or another, a general election was finally forced on the Government. Mr. Lloyd George through this year of tremendous war crises, of varied difficulties within and without, of international problems which the Armistice aggravated and United States conditions encouraged, of a political struggle at home from which the enemies of England hoped much, came out with increased reputation and *prestige*. His speech of Jan. 5th, 1918, summarized the basis of British and Allied war aims in words which became fundamental to the issues involved, which won almost unanimous acceptance in the British Empire, which paved the way for his return to power in later months. Labour, as represented by Arthur Henderson, accepted the essentials of the speech which may be summed up in the Premier's own words as follows:

(1) We are not fighting a war of aggression against the German people; the destruction or disruption of Germany or the German people has never been a war-aim with us from the first day of this war to this day. Nor are we fighting to destroy Austria-Hungary, or to deprive Turkey of its capital, or of the rich and renowned lands of Asia Minor and Thrace, which are predominantly Turkish in race.

(2) We are fighting for the complete restoration—political, territorial, and economic—of the independence of Belgium, and such reparation as can be made for the devastation of its towns and provinces; for the restoration of Serbia, Montenegro, and the occupied parts of France, Italy, and Roumania; for the complete withdrawal of the enemy armies and reparation for injustice done—a fundamental condition of permanent peace.

(3) We stand with the French democracy to the death in their demand for a reconsideration of the great wrong of 1871, when, without regard to the wishes of the population, two French provinces were torn from the side of France and incorporated in the German Empire; with and for an independent Poland, comprising all those genuinely Polish elements who desire to form part of it, as being an urgent necessity for the stability of Western

Europe; for genuine self-government, on true democratic principles, to those Austro-Hungarian nationalities which have long desired it; for the satisfaction of the legitimate claims of the Italians for union with those of their own race and tongue; for justice to men of Roumanian blood and speech in their legitimate aspirations.

(4) We expect the passage between the Mediterranean and the Black Sea to be internationalised and neutralised; Arabia, Armenia, Mesopotamia, Syria and Palestine, to be given recognition of their separate national conditions; the German Colonies to be held at the disposal of a Conference whose decision must have primary regard to the wishes and interests of the native inhabitants of such Colonies.

(5) We demand reparation for injuries done in violation of international law, especially as regards our seamen; the establishment of some International organization as an alternative to war and a means of settling international disputes; the sanctity of treaties to be re-established; a territorial settlement to be secured, based on the right of self-determination or the consent of the governed; the creation of some International organization to limit the burden of armaments and diminish the probability of war.

Financial and Trade Conditions. Financial conditions of this period were on a scale so vast as to almost defy the comprehension of superficial observers, and the always-ready pessimist wondered at the close of 1918, how England could escape bankruptcy; many ordinary Englishmen, with the innate self-depreciation of their race, appeared on the surface to share this despondency. But the fact was that British war-finance was one of the marvels of the War, that the basic principle which guided Lloyd George, Austen Chamberlain and Bonar Law was the unique one of raising in years of war enough revenue to cover the estimated expenditure of the nation when Peace should come and, in addition, enough to carry all interest and war-debt charges and pay also a part of the war expenses! The 1918 Budget, therefore, allowed for a total war and ordinary expenditure of £2,972,197,000 or about $14,860,000,000 with a revenue of £842,000,000 or $4,210,000,000 as compared with $1,000,000,000 in 1914. The war taxation included an increase in Income Tax to 6 shillings on the pound, a special and doubled income tax on farmers whose rent was taken as an equivalent of profits, a super-tax on incomes up to 4s. 6d. on the pound, a doubled stamp duty on cheques, an excess profits tax of 80% with increased taxes on spirits, beer, tobacco, matches and sugar, a luxury tax of 2d. on the shilling—jewelry, articles above a certain value, etc. The net result of this policy was that many incomes were taxed one-third and even a half of the total; but it attained its object, and helped to keep the national finances upon an extraordinary level of efficiency. The total of Votes of Credit by Parliament for war purposes was $55,900,000,000 up to the time of the Armistice, divided as follows:

1914-15	£ 362,000,000
1915-16	1,420,000,000
1916-17	2,010,000,000
1917-18	2,450,000,000
1918-19	5,300,000,000
Total	£11,542,000,000

On Aug. 1st, 1918, the British Dominions owed Great Britain $1,042,000,000, France, $2,010,000,000, Italy, $1,565,000,000, Belgium, Serbia and Greece $595,000,000, Russia $2,940,000,000. The last-mentioned debt seemed of doubtful value and had been repudiated but it had served a great purpose at the time and there was always the possibility that an awakened, sane Russia of the future would re-assume its liabilities. This total, however, was balanced by British loans from the United States. Behind matters of revenue and expenditure was the basic wealth of the people which, in the main, was untouched. The pre-war estimate of National wealth was 85,000 millions of dollars; the income of the nation from investments, and all other sources, was about 14,000 millions a year; the average war and domestic expenditure was less than 10,000 millions. Hence the marvellous stability of British credit and finance in this world catastrophe. A vital element in this condition was the fact of British trade being as great in volume and value at the close of the War as at the beginning though, of course, fundamentally different in character. Much of the situation was due, also, to the strength of the British banking system before and during the War, to the fact that large proportions of the war expenditure was upon industrial equipment of which much was permanent in value, to the maintenance of the gold standard. The *Monetary Times* of Toronto paid this generous tribute to London (Oct. 11, 1918) as not only the past financial centre of the world but as being in no danger of losing its laurels after the War:

> London's record in the past will tell tremendously in rehabilitating its world position after the War. It has been in the past the only free market for gold in the world; it has carried on an immensely important discount business; it has maintained remarkable stability in money rates; it has had the advantage of support from the British merchant marine; it has financed the foreign trade of the United Kingdom—the largest in the world; it has been undisturbed by tariff controversies; it has had powerful centralized banks, and, practically, in the Bank of England, a central bank of issue; it has been remarkably free from panics; it has enjoyed the largest marine insurance business in the world. It is safe to say that these advantages will not disappear overnight. In conclusion, it should be emphasized that New York and London will prosper most greatly in so far as they co-operate.

Financial incidents of the year included the British Government assumption in January of responsibility for Russian bonds and bills totalling $85,000,000 under a 1915 arrangement; the Report of the National War Savings Committee which showed 16,000,000 people to be holding Government securities compared with 345,100 before the War and the existence in the country of 38,000 War Savings Associations; the fact that at the close of the fourth year of war Great Britain was spending $35,000,000 per day or $25,000 a minute; the continued personal generosity of the British people to all war causes as shown by the collection on France's Day of $1,800,000—the fourth collection of the kind; the fact that London remained the financial centre of the world as illustrated by the figures of acceptances outstanding against International business at the end of November, 1918—500 millions in

London and 365 millions in New York; the statement by the Chancellor of the Exchequer on Aug. 15th that the current subscriptions for National War bonds had reached the enormous total of $5,000,000,000—a world's record as had been the 1917 issue of 4,740 millions; the great success of the War Savings' stamp system which originated in England early in the war and the National evolution of thrift through this and other methods.

In other directions Britain's record was equally notable or interesting. The total output of shipping in 1918 for the United Kingdom was 1,245 naval and mercantile vessels of 1,871,176 tons and 4,349,260 horse-power and, during the last quarter of the year, 424 ships of 1,979,952 tons were being built with 1,722 merchant vessels under construction in Allied and neutral countries; the Report of a Committee on National Expenditure in March showed that technical investigations had saved the country over $200,000,000 on cordite, gun and ammunition contracts; the operation of the British Salvage Council resulted in immense public savings through economy, the restrictions on waste, the saving of things discarded as useless; the sacrifice of many famous forests and private parks and groves which for centuries had been objects of beauty and delight to owners, people and visitors alike, was made in order to meet the war-needs of France while privately-owned trees were being converted into timber, when the War ended, at a rate of 6,000,000 tons per annum—notable efforts being also made to replace these trees by new growths and transplantation; the development of Agriculture was carried to a point of almost complete supply in certain items of food for the people of the United Kingdom—notably wheat and potatoes—with an increase in acreage for 1918 over 1916 of 39% for wheat, 50% for potatoes, 35% for oats; the statement was made at Leeds on Oct. 10th by Winston Churchill, Minister of Munitions, that the daily output of the plants then was 12,000 tons; the new British Metals Company organized in October to secure for the Empire control of its own metal interests and markets, showed $10,000,000 capital already subscribed and the Hudson's Bay Company as largely interested.

At the close of the War many branches of national work came in for an appreciation impossible during the active struggle. Brig.-Gen. G. K. Cockerill, Director of Special Intelligence at the War Office, stated that while the withdrawal from Gallipoli, the construction of tanks, the preparations for the offensive at Cambrai, the various counter-offensives which destroyed the German armies, were all known to numbers of people in Britain, they were kept concealed from the enemy. Through the efforts of this Department no act of destruction or incendiarism was committed in Britain during the War while the estimated value of prize cargoes seized under the Blockade system was over $150,000,000 and the enemy remittances stopped at sea totalled $350,000,000. The Shipping Comptroller on Dec. 9th described the desperate effort which Eng-

land made to get American troops to France: "From South Africa we removed every passenger steamship and, for the time being, practically killed trade with that country. From India and Australia we removed all the fast steamships plying to and between those countries, and we made very dangerous sacrifices of meat supplies—endangering even those of the British army—by transferring these ships to the North Atlantic, thus wasting refrigerator space, as meat was not available for export from North American ports. Our loss of essential imports owing to the fitting out of ships for the carriage of American troops amounted to well over 1,000,000 tons; 175 British vessels of more than 1,500,000 tons deadweight were put specially in the service of carrying American troops, and we even fitted up fighting ships for that purpose. While the sacrifice to Great Britain was heavy, the practical isolation, for the time being, of the Overseas Dominions involved very serious hardships to those Dominions, which were borne without complaint, recognizing as they did, the vital necessity of the measures taken." Early in this year it was stated by the London *Daily Mail* that a group of men in the British textile trade had captured the secrets of the great German dye industry; a vital point in after-war competition and in the preservation of British industries with an output of $1,000,000,000 a year. It may be added that the eleven months' trade of the United Kingdom, January to November, 1918, had totalled £1,691,467,777 or $8,457,000,000—the imports being £1,203,433,425, exports £460,191,030 and Re-exports £27,843,322. The total for the same eleven months of 1917 was $7,674,000,000.

The Protection Movement and Preference. A most important development, but not well-known abroad, was that of fiscal Protection. It made great strides in 1918 based upon (1) the necessity of keeping wages up when the War was over, (2) the impossibility of admitting free competition from enemy countries, (3) the enormous changes in every kind of economic condition caused by the War. Mr. H. H. Asquith, as a Liberal and Free-trade leader, recognized the situation at Derby on Mch. 22nd: "On the one side there is the danger of a return to artificial systems of Protection and on the other side there is the danger of an excessive trust in State supervision and control. We must not be afraid or ashamed to have in our minds or even on our lips what many people in these days regard as a worn-out and even threadbare formula—Free Trade. . . . I never did, and I do not think any intelligent advocate of Free Trade ever did, put before the people of this country Free Trade as an abstract dogma to be believed like some of the articles in the Athanasian creed." He claimed it to be a matter of economic need, the preservation of Britain's position as the sea-carrier, the banker, the broker and clearing-house of the world.

The various Reports of the Balfour Committee on Commercial and Industrial Policy after the War was an important study of Protection and a declaration of the need of that policy, in moderate

application, to meet after-war conditions; it also dealt with the prohibition of specific imports and exports, from or to enemy countries, for a stated period. The Chairman of the Committee, which was appointed in July, 1916, was Lord Balfour of Burleigh, a clear-thinking, Scotch public man of original free-trade convictions; its membership included men of such one-time political or fiscal antagonisms as W. A. S. Hewins, M.P., and Sir Alfred Mond, M.P., Sir J. P. Maclay and R. E. Prothero, M.P., Lord Faringdon and G. J. Wardle, M.P.; others were added and retirements took place owing to appointments to the Government, but the Committee remained representative and capable. To the final Report, issued in 1918, there were minority exceptions in details but the fundamental conclusions were unanimous. It first reviewed the general condition of British trade before and during the War and the situation in various industries such as ship-building, metals, textiles, etc.; it re-affirmed the fiscal economic decisions of the Paris Economic Conference of the Allies and approved a Joint International Commission of these Powers to deal with raw materials and export conditions after the War; it declared the need for the Government to control the allocation of tonnage for a period during Peace in order to ensure adequate supplies of foodstuffs and raw materials and to continue many existing regulations and restrictions as to home and foreign trade; it described as "key" or pivotal industries those of Tungsten, Magnetos, Optical, Chemical, Glass, Hosiery, Needles, Thorium Nitrate, Limit and Screw Gauges, which had been largely controlled by Germany before the War.

It dealt with certain inorganic substances as being essential raw material—Bismuth, Iodine, Pottassium and Mercury; with Bella Donna, Henbana, Foxglove and Colchicum as essential medicinal herbs; it described Chinchona, Ipecacuanha and cacao (the basis of cocaine) as necessary foreign plants, and certain drugs such as Salicylic Acid, Phenacetin and Salvarsan—hitherto controlled by Germany—as most essential. The production of these at home or within the Empire should be encouraged in every possible way. As to Fiscal policy the Report dealt frankly with the need for a change: "A reconsideration of the whole problem is made inevitable by the fact that, whilst the economic strength of the country has so far borne with remarkable success the strain upon our material and financial resources resulting from an unparalleled war, certain defects in, and dangers to, the great fabric of British trade and industry have been revealed; and by the further fact that in our opinion those defects and dangers can be removed, and their recurrence guarded against, only by a fresh examination of what has hitherto been our national fiscal policy." The industries essential to "the promotion and security of the economic resources and industrial well-being of the nation" were said to include the heavy iron and steel trades and numerous branches of the manufacture of iron and steel goods; the engineering trades, including electrical and motor engineering; the production of a considerable number

of non-ferrous metals and ferro-alloys; ship-building and many branches of the chemical trades; the textile trades almost as a whole; the manufacture of various classes of rubber goods, especially tyres and the leather industries. Under any fiscal change each of these industries would need detailed examination and separate action. The following propositions were advanced as basic and as meeting with, probably, general acceptance:

(1) Some Government action should be taken to promote and safeguard the development in the United Kingdom of industries of a special or pivotal character—industries on which other and larger branches of industrial production of substantial national importance are dependent, or which, whilst essential for munitions purposes, are not of sufficient commercial importance to ensure their development without such State assistance.

(2) Some Government assistance should be given to industries, other than those mentioned above, which are important for the maintenance of the industrial position of the United Kingdom—where such assistance is proved to be necessary because of the inability of the industries to maintain or develop themselves by reason of undue foreign competition, inadequate supplies of raw materials, or any other causes.

(3) A serious attempt should be made to meet the declared wishes of the Dominions and Colonies and of India for the readjustment and development of their economic relations with the United Kingdom.

(4 An effort should also be made to develop trade between the British Empire and our Allies.

(5) Subject to agreement with our Allies in the matter, present enemy countries should not, for a time at least, be allowed to carry on trade with the British Empire in the same unrestricted manner as before the war, or on terms equal to those accorded to Allies or Neutrals.

It was stated that general agreement existed amongst Departmental Committees of the (Government) Board of Trade in favour of some measure to prevent "dumping" and the Canadian legislation in this respect was suggested as worthy of imitation. As to the question of establishing a comprehensive Tariff scheme similar to those in operation in other great industrial countries it was pointed out that the plans must be simple at first and subject to gradual elaboration and the following proposals were made: (1) To leave free of duty on importation essential food stuffs and absolutely raw materials; (2) to impose moderate duties on all other commodities on bases varying with their place in the scale from raw materials to completely finished goods; (3) to reduce or remit altogether the duties so imposed in order to give preference to the products of the British Dominions Overseas; (4) to negotiate new commercial arrangements with the Allies, and possibly with present Neutrals, on the basis of reciprocal reductions of customs duties; and (5) to impose surtaxes on goods of present enemy origin. The arguments used against such a policy were summarized and the following conclusions stated:

(1) That Protection by means of customs duties should be afforded only to carefully selected branches of production which must be maintained either for reasons of national safety or on the general ground that it is undesirable that any industry of real importance to our economic strength and well-being should be allowed to be weakened by foreign competition or brought, to any serious extent, in this or other ways under alien domination or control, and

(2) That such Protection should not in any case be accorded until a searching examination has been made into all the circumstances of the branch of industry by a competent and independent authority, which should take into consideration the sufficiency of other measures to secure the object in view.

As to an Imperial Preference it was pointed out that real reciprocity with the Dominions would involve not only a duty on manufactured commodities but on "a wide range of foodstuffs and possibly, even raw materials"; as to which revenue duties were already imposed on tea, coffee, sugar, tobacco, wine and spirits and in which a Preference should at once be granted: "We have recommended that preferential treatment should be accorded to the British Oversea Dominions in respect of any other customs duties which may hereafter be imposed in the United Kingdom. We note that the policy of the Government in regard to the supply of wheat and oats has been settled for some years to come by the provisions of the Corn Production Act. Where, however, the British Empire supplies or becomes able to supply to the United Kingdom materials for industry which have advanced beyond the most elementary stage (as, for example, refined metals) which are also supplied by Foreign Countries, we think the advisability might well be considered of imposing some small duty on the imports from Foreign countries, whilst leaving the imports from the British Empire free." The denunciation of existing commercial treaties and the negotiation of new ones with Allies and Neutrals was not approved; in respect to the proposed creation of a Tariff the appointment of a strong and competent Board was urged "to examine into all applications from industries for State assistance, to advise His Majesty's Government upon such application and, where a case is made out, to frame proposals as to the precise nature and extent of the assistance to be given, whether by Protective tariff duties or in other ways." It was further advised that before recommending Tariff protection for any particular industry it should be the duty of the Board to consider forms of State assistance other than, or concurrent with, Protective duties, such as bounties on production, Preferential treatment in respect of Government contracts, or State financial assistance.

Special or specific forms of Protection were recommended by the Textile, the Iron and Steel, and the Electrical and Engineering Trades Committees appointed in 1916 with Reports made public in June 1918—all four recommending prohibition of goods from enemy countries after the war for varying periods. They also asked for a system of Preference within the Empire, for legislation against "dumping," the compulsory marking of all foreign goods with the words "Not British," the admission of raw materials duty free, the imposition of an Allied surtax upon goods of enemy production, the British appointment of Commercial attachés and all British Consuls abroad to be British in allegiance. Speaking in London (July 24th) W. H. Long, Colonial Secretary, stated that the Committee which had been appointed to consider the question

of trade after the War had, in deciding on a scheme of Preference within the Empire, met the approval of the War Cabinet. Addressing a Deputation of 200 leaders of manufacturing interests on July 31st, Mr. Lloyd George expressed his policy in this respect as clearly as he thought possible at that period: "During the War we have undoubtedly discovered that there are industries in this country that are essential, not merely from the commercial point of view, but from that of national defence and security. Under no conditions, and whatever it costs, shall we let those industries down in the future." In the Lords on Aug. 7th, Lord Curzon declared that the policy of the Government was an Imperial Preferential tariff but without duties on food.

Political and Other Events of the Year. The charges against the Government made by General F. B. Maurice, Director of Military Operations (in a letter to *The Times* on May 6th) produced wide discussion and a debate in Parliament and aroused high hopes in Opposition and other quarters. In essence it was a question of veracity between an official who had abused secret sources of information open to him officially and a Prime Minister who had to be the best judge of what to say or not to say in such a perilous war-period. It can be left at that with the fact that Mr. Lloyd George's speech on the subject (May 10) won him a Parliamentary majority of 187. A political incident of importance was the purchase of the London *Daily Chronicle* for £1,500,000 by Sir Henry Dalziel, a Government supporter, and already owner of the *Pall Mall Gazette, Reynold's Newspaper* and other popular journals; associated with it was the increasingly powerful position held by Lord Northcliffe as proprietor of *The Times,* the *Daily Mail* and many other important journals and the increasing influence of Lord Beaverbrook in his control of *The Express*—at this time a Government organ. The bitter opposition of the *Morning Post* (Tory) edited by H. A. Gwynne, with Lieut.-Col. E. P. Repington of London *Times* fame, but latterly dismissed, as its military correspondent, was a factor in Government and political war circles.

Another incident indicated the sort of thing which occasionally had to be faced in this great democracy, as a bye-product of irrational degeneracy in a species of public men who rise like froth to the surface in all free countries. In the Pemberton-Billings case the original charge of libelling a dancer was, in itself, a trivial incident but out of it there grew a huge yet baseless scandal founded upon an article written by Pemberton-Billings to his sensational journal *Vigilante* which declared that: "There exists in the *Cabinet Noir* of a certain German Prince a book compiled by the Secret Service from the reports of German agents who have infested this country for the past 20 years. More than 1,000 pages are filled with the names mentioned by German agents in their reports. There are the names of 47,000 English men and women." These 47,000 persons were supposed to be charged in these pages with various forms of secret vice. Upon this loose allegation, based

upon a book which no reliable person had seen, grew up all kinds of still looser statements in Court and press and public gossip which were calculated to injure, to debase, to wound prominent men, political leaders and their families—people who had no means of reply or of redress against cowardly insinuations based upon a mythical book in an enemy country. The extraordinary conduct of a weak judge, Mr. Justice C. J. Darling, permitted wholesale defamations of character in Court which were so irrelevant, irresponsible and casual as to be ludicrous if they had not been so obviously injurious.

There was no shadow of proof for statements which ascribed atrocious and unbelievable vice to all manner of officials and high-placed men and women and they had no legal or technical connection with the case; yet they were allowed to be uttered and were published freely in the press! The result was a weakening of public *morale,* an injury to reputations and public men, a feeding of such disloyal sentiment as prevailed, in a degree greatly helpful to the enemy and hurtful to national unity and war-action. The Judge was criminally weak and inefficient—his own name was said to have been in the alleged book with those of Mr. and Mrs. Asquith and Lord Haldane; the Court was asleep at the switch and the London press teemed with disguised filth taken from the evidence of witnesses who had heard of it from someone who had heard that it was in this mythical German book! Premiers, Ambassadors, gallant soldiers, famous women, all were defamed from a book only seen by a woman who was proved to be partially insane and by a young American adventurer who was dropped from the Air Service for "unusual hallucinations" and was repudiated as unknown to him by the man whom he claimed had shown him this volume. Even if it had actually existed, such a book, compiled by treacherous enemies of England, would not have been the slightest proof for any charges based upon it. Pemberton-Billings himself was a man of worse than no reputation or standing; in the end he was acquitted (June 4th) of libelling Miss Allan and the reign of slander ceased for the time.* This matter is dealt with here as a form of German poison-gas and as one of the influences which at this time worried statesmen, hurt Great Britain abroad, and injured friendly relations in such countries as the United States.

Meanwhile the Lloyd George Government had put upon the statutes some vital legislation. The great Reform Act of 1918 became law on Feb. 6th and its chief new conditions were (1) the sweeping away of all male restrictions on voting for Parliament excepting the age limit of 21 years and a residential or business premise qualification or, in University constituencies, a degree from the institution concerned; (2) the vote given to all women of 30 years of age and over, subject to the same residential and University conditions as a man; (3) the vote granted to all men or

*Note.—Without an environment of knowledge which would enable the public to understand the baselessness of these charges the Toronto *Telegram* and a few other journals in Canada republished many pages of "evidence" in this infamous case.

women employed abroad, on Naval, Military or Air service, in the constituency where they would have qualified if at home—the male to be 19 years and the women 30; (4) all persons exempted from war service as conscientious objectors to be disqualified—though not the wife of such a person; (5) the principle of Proportional Representation to apply to University electorates which were specially constituted and all Parliament elections to be held on one day; (6) a deposit of £150 to be made by candidates with one-eighth of the total vote polled as necessary for its return and the maximum expense incurred by candidates to be one penny for each registered elector in a county or fivepence in a borough; (7) plural voting allowed under certain conditions and proxy voting in the case of Naval and Military voters serving abroad; (8) under the Redistribution of seats (Ireland being separately dealt with) there was to be one member for each 70,000 of population with an increase in the House of Commons from 670 to 707. The Local Government franchise was very similar in terms, there were to be two registers of electors in each year with large powers and varied duties in the hands of the Registration officers. The Man-Power measure has been referred to; the Educational Bill of H. A. L. Fisher made great changes and much was hoped from its liberalizing influence. Briefly the main provisions were as follows:

1. No exemptions from attendance at school to be granted to any child between the ages of five and 14.
2. Local authorities might increase the age of compulsion by law to 15.
3. Compulsory day continuation schools to be established for all young persons, unless they were being otherwise educated, up to the age of 16.
4. No child under 12 to be employed and no child between 12 and 14 to be employed for more than two hours on any Sunday, or on any school day before the close of school hours, or on any day between 6 a.m. and 8 p.m. Limited exceptions could be made by by-law.
5. Provision was made for the medical inspection and treatment of pupils in secondary and continuation schools.
6. Local authorities could establish nursery schools for children between the ages of two and five and special schools were to be established for physically defective children.
7. Fees in public elementary schools were abolished.

Of miscellaneous but important British events in this last year of the War a word must be said as to Government changes. On Feb. 11th Lord Cowley of Prestwich resigned the Chancellorship of the Duchy of Lancaster and Lord Beaverbrook was appointed to the position with, also, that of Minister in charge of Propaganda. On the 18th it was announced that Lord Northcliffe had been appointed Director of Propaganda in enemy countries and would also continue to direct the London headquarters of the British War Mission to the United States. At the same time General Sir W. R. Robertson retired as Chief of Staff and was replaced by General Sir H. H. Wilson—after a campaign in the Northcliffe press similar to that which had preceded the retirement of Lord Jellicoe. The Beaverbrook and Northcliffe appointments aroused much interest abroad and were followed by a very distinct change in methods and in the

character of the information conveyed to enemy armies and peoples. In an order issued to his troops by General Von Hutier in the March aggressive of 1918 that enemy officer gave unintentional testimony to the efficiency of the new system: "Aviators are constantly distributing increasing numbers of leaflets and pamphlets. Letters written by German prisoners are falsified in the most outrageous way. Tracts and pamphlets are written to which names of German poets, writers and statesmen are forged!" On May 8 Lord Beaverbrook told the House of Lords that 4,000,000 copies of the Lichnowsky memoirs had been circulated in Britain and that a War Cinema service seen by 12,000,000 persons a week was in operation.

One of the most important of the newer Departments of Government in this year was the Ministry of National Service of which Sir Auckland Geddes, the pre-war Professor of Anatomy at McGill University, Montreal, was the chief. It dealt with and controlled the Compulsory Service Acts, Recruiting, the Medical Boards, Registration of man-power, Trade and industrial exemptions, Labour supplies and women's war services. Another important post was that of Minister of Blockade, vacated in July by Lord Robert Cecil, and filled by the appointment of Sir L. Worthington-Evans. Lord Robert took the new position of Assistant Secretary for Foreign Affairs. Meantime, in March Lord Pirrie had been made Comptroller-General of Merchant Ship-building while, on April 18th, Lord Milner was appointed to the all-important post of Secretary for War in succession to the Earl of Derby who went as Ambassador to France; the Right Hon. Austen Chamberlain being appointed a member of the War Cabinet, without Portfolio, in place of the latter. At this time also, Field Marshal Viscount French became Lord Lieutenant of Ireland and Edward Shortt, K.C., M.P., Chief Secretary for Ireland.

An important non-political event of this period was the publication of a Report by the Conference on House of Lords' Reform which the Government had appointed under the chairmanship of Lord Bryce in September, 1917. It was a very representative body, with all parties included, and such public men as Lord Balfour of Burleigh, Lord Hugh Cecil, T. Scanlan, M.P., the Marquesses of Crewe and Lansdowne, the Earl of Loreburn, T. P. O'Connor, M.P., Sir Thomas Whittaker, M.P., J. M. Robertson, M.P., Sir H. Norman, M.P., and the Archbishop of Canterbury amongst its 28 members. To the Report, proper, Lord Bryce attached a long explanatory letter. The Conference, he stated, had taken the terms of reference to preclude it from dealing with the rights and privileges of the Peers as an order, or with the judicial functions of the House of Lords. It was agreed that the functions appropriate to a Second Chamber were as follows: (1) The examination and revision of Bills brought from the House of Commons; (2) the initiation of Bills dealing with subjects of a comparatively non-controversial character which would have an easier passage through

the House of Commons if they had been fully discussed and put into a well-considered shape before being submitted to it; (3) the interposition of such delay in the passing of a Bill into law as would be needed to enable the opinion of the nation to be adequately expressed upon it—especially in the case of Bills affecting the fundamentals of the Constitution, introducing new principles of legislation, or raising issues whereon the opinion of the country might seem almost equally divided; (4) the full and free discussion of large and important questions, such as those of Foreign policy.

The Conference decided that persons of experience in judicial, administrative, and Parliamentary work, and possessing special knowledge of important departments of the national life or of Imperial questions, should be amongst the elements finding place in such a Chamber, as well as "a certain proportion of persons who are not extreme partisans, but of a cast of mind which enables them to judge political questions with calmness and comparative freedom from prejudice or bias." It was also agreed that a Second Chamber should not have equal powers with, or aim at becoming a rival of, the Commons; that no one set of political opinions ought to have a marked and permanent predominance; that it should "aim at ascertaining the mind and views of the nation as a whole, and should recognise its full responsibility to the people, not setting itself to oppose the people's will, but only to comprehend and give effect to that will when adequately expressed." The Conference was also of the opinion that continuity should be preserved, as far as possible, between the ancient House of Lords and the new body. It was recommended, with three dissentients, that the reformed Chamber should consist of two Sections—one consisting of 246 members, or if Ireland were included, about 273, and these should be elected by panels of members of the House of Commons distributed in specified geographical groups. The other Section would consist of persons chosen by a Joint Standing Committee of both Houses and numbering about one-fourth of the whole or 81 out of a total membership of 327.

For the 1st Section the voting was to be, by ballot under Proportional Representation, by the method of the single transferable vote. Casual vacancies in a group were to be filled by the member of Parliament representing the constituencies within that area, the member so elected to sit only for the remaining term of office of the retiring member. The 2nd Section should be chosen by a Joint Standing Committee of the House of Commons and the House of Lords in the first instance, and thereafter of the House of Commons and the new Second Chamber. In the first instance the persons so chosen should be selected from holders of hereditary Peerages (including Scottish and Irish peerages) and Bishops holding diocesan Sees, so that not less than five such Bishops were elected. At the second and third elections by the Joint Standing Committee not less than half of the vacancies on each occasion were to be filled by the selection of holders of hereditary Peerages or

Bishops holding diocesan Sees, and the remainder from whatever source the Committee might think best, whether within or without the Peerage. Thereafter the choice of the Committee would be unrestricted, except that the number of Peers, and Bishops holding diocesan Sees, so sitting in the Second Chamber, should not fall below 30. The term of office was to be 12 years with one-third retiring every fourth year. All clergymen and ministers were eligible for membership and the Chamber was to have no power to amend or reject a Finance Bill; free Conferences were to settle differences between the two Houses. In this connection it is interesting to note how the British aristocracy—using the phrase in its titled association only—did its bit in the world-war. Socialists, in pre-war days, were not friendly toward this class in the country but in August, 1918, Victor Grayson, one of their leaders, published a Report as to the House of Lords in the War which is worthy of note here:

> Up to date there are 251 Peers out of about 600 (members of the House of Lords) who have served or are serving with His Majesty's forces. Of these, 14 have been killed in action, one has died, 18 have been wounded, and one is a prisoner. In addition, 8 Scottish and 28 Irish Peers have been or are with His Majesty's forces, of whom 2 Irish Peers have been killed, 3 Scottish and 6 Irish Peers have been wounded, and one has died. Taking into consideration the number of Peers who must be over military age, I think it will be readily conceded that the House of Lords has played the game in the world's crisis. But this is not all. The sons of Peers who served or are serving with His Majesty's forces number 824. Of this very creditable total 162 have been killed in action, 126 have been wounded, 14 are prisoners, and 8 have died. Out of these 824 sons of Peers 329 were heirs to the title, and of these 75 were killed and 5 died. These figures scarcely indicate any tendency on the part of the upper classes to cling to the comforts and luxuries of their existence or to shirk the risks and privations of war.

The British Military, Naval and Air Forces in 1918.

British soldiers were fighting on many fronts during this year—east and west and south, in Europe, Asia and Africa. On the Western front in April they held more than 100 miles of the line. Two years before an average of 5,000 men per mile might have been sufficient for the purpose; in Russia the allowance was 3,000 men. At this time, however, Germany had concentrated her largest available force and reserves against the British line and an average fighting provision of 10,000 men to the mile had to be assured. Of the 4,000,000 men included on the British Army rolls early in this year only one-third could be in the front line at any given moment; others were needed for moving guns, cooking food, running railways, building bridges and roads, transporting supplies, attending to wounded; still others had to be held in reserve in England or kept in training while hundreds of thousands were at the six other fronts of war. Sir Auckland Geddes, on Aug. 20th, stated that the wastage of maimed, killed and died of disease was over 20 per cent. Hence the call for men and still more men until one man in every 8 persons of the popula-

tion of England was in the Army; hence the indirect call which echoed so persistently in the outlying Empire.

Hence the remark of an American writer that if the dead and wholly shattered youth of Britain were to march down Fifth Avenue, New York, in platoons of 20 to a rank, the vast throng could not pass from Central Park to Washington Square in ten long summer days. Hence the reply of Captain Frank Edwards of the Royal Fusiliers to an American who asked him, satirically, where the largest British Army was: "The biggest British Army is under the sod." Similarly in addressing an audience of United States bankers he stated that his Battalion of 1,000 men marched into action with every man in it a banker and added: "In the first few months of the war we lost 78 per cent. of our entire fighting land forces. In the great retreat (1914) one Division went into action 12,000 strong and 2,000 came out. Out of 400 officers in one engagement 50 returned. You talk about the Somme fight. Do you know it cost us 25,000 officers and half a million men? You know that France lost 300,000 in 1917 and the British force half a million men more than that! You read about Passchendaele and Vimy Ridge and they are names to you, but oh, the cost of them. We lost 27,000 men in one month—killed in Flanders on a portion of the line; at another point we lost 6,000 officers and 95,000 men killed." Hence the importance of the fact that toward the end of the year—and the war—British troops held one-third of the line in France, much of the line in Italy, nearly all of the line in Serbia, all of the line in Palestine and Mesopotamia and on the vast Colonial fronts of Africa. The growth on the Western front had been steady; 43 miles in the spring of 1915 running from Langemarck to Lens; in the spring of 1916 it was 85 miles from Boesinghe to the Somme; in the spring of 1917 it was 90 miles from Boesinghe to St. Quentin; in the spring of 1918 about 110 miles from Houlthholst to La Fêre. Meantime it was estimated by John Masefield, the famous English writer, that Great Britain had supplied France, Italy, Serbia, Belgium, Roumania and Russia with millions of tons of all sorts of equipment, guns, shells, uniforms, boots and machines amounting to a total value of $3,000,000,000: "We have fed and clothed, since the war began, the greater part of the population of Belgium and practically the whole of the population of Serbia; besides our contributions of men and guns we have had immense hospital organizations working in Russia, in Italy, in Roumania and with the French."

The Achievements of the British Army in the War. Meantime what had the Army done? It fought, of course, in the four corners of the world, it lost at times but battled on, as its traditions made inevitable, until it won; it everywhere fought on soil outside the British Empire—with the possible exception of Egypt for a short time—and not one of the doors innumerable of that vast Imperial edifice was forced, its far-flung territories invaded, or one of its possessions seriously menaced; it was impro-

vised within a few months after the immortal little Army at Mons had played a decisive part in weakening the massive strokes of the great German machine which was crashing its way to Paris. By it Britain turned herself from the weakest into the greatest of military powers and its far-flung line withstood the storm in France, Flanders, Italy, Greece, Turkey, Egypt, Palestine, Mesopotamia, Persia, the Caucasus, S. W. Africa, East Africa, Siberia and the far North of Russia. In January 1918, as Sir Auckland Geddes put it on the 14th of that month, Britain faced a new crisis and faced it for the world: "Every day the hitting force of Britain becomes of greater importance to the Alliance. Russia no longer strikes for freedom, France has poured forth her strength in the struggle and cannot sustain the full burden indefinitely. America is not yet in the field, and months must elapse before she can advance with full stride; Italy has suffered grave misfortunes. On Britain and on the skill with which she handles her man-power in the months to come everything depends. At sea we must be supreme; in the air we must win supremacy, and on land we must do the best we can to fill the gap Russia has made until America can take her place. And all the time we must keep our industries going." During the previous year the Army, in its various spheres, had lost 28,379 prisoners and captured 14,544 with 166 guns lost and 780 captured.

The commanders of the British armies upon the whole realized the best traditions and achievements of the British service. Lord French and Sir Douglas Haig, Sir H. C. Plumer and Sir Henry Rawlinson, Sir Julian Byng and Sir Henry Horne, in France and Flanders, bore the same relationship to their Armies as did Foch, Mangin, Gouraud, Debeney, Berthelot, Castelnau and Fayolles to the differently constituted forces of France; Sir Henry Maude of Bagdad and Sir Edmund Allenby of Jerusalem and Samaria, like D'Esperey in Macedonia, were outstanding figures of the War. Their men in these and other fields performed prodigies of valour from the Rev. T. B. Hardy, Army Chaplain, who won a V.C., D.S.O., and M.C. to the most insignificant unit in the fighting or constructive battalions. At one part of the line, during the German aggressive on Mch 21st, nine enemy Divisions were hurled against three British and eight against two at another front and both were held; Major-Gen. Sandeman Carey in the same prolonged and extended battle, seeing a gap in the line suddenly open, improvised a force to close the breach composed of mechanics, aerial officers, signallers, machine-gunners, and men of the Labour Corps which, for nearly six days, gallantly held its position on the left of the Fifth Army, and rendered most vital service; the 55th (Lancashire) Division on Apr. 9th held an exposed left flank against the fierce and repeated attacks of troops four times stronger than themselves. Phillip Gibbs tells this story of the Guards (Coldstreams, Grenadiers, Irish) who, when the Portuguese gave way on April 11th, were told to hold the line for 48 hours until the Australians could come up:

"A party of the Grenadiers were so closely surrounded that their officer sent back a message saying: 'My men are standing back to back, shooting on them with machine-guns and rifles and pouring a fire into them until only 18 men are left.' These 18, standing among their wounded and their dead, did not surrender. The Army wanted 48 hours and must have it. So when the time came the 18 fixed their bayonets, went out against the enemy, and drove through him. A wounded corporal who finally got back to the lines, lay in a ditch for some time and the last he saw of his comrades was when 14 of them were still fighting in a swarm of Germans. So with the Coldstreams and the Irish in almost identical incidents and effort.

There was a myriad of such actions in these weeks when British Armies, with one-third of the German strength, retired without defeat and stood successfully with their backs to the wall—another incident of the period being described in a special Order of General Berthelot who stated that: "On May 27th, at a time when the British trenches were being subjected to fierce attacks, the 3rd Battalion, Devonshire Regiment, repelled successive enemy assaults with gallantry and determination, and maintained an unbroken front till a late hour. Inspired by the *sangfroid* of their gallant commander in the face of an intense bombardment, a few survivors, though isolated and without hope of assistance, held to their trenches and fought to the last with an unhesitating obedience to orders. This whole battalion—the Colonel, 28 officers and 552 non-commissioned officers and men—responded with one accord and offered their lives in ungrudging sacrifice." Then came the period of advance and, within four weeks, 75,000 prisoners and 750 guns were captured.

An incident of this fighting was the crossing of the Selle in October, when, after the Sappers had plunged into the river with their bridges, these latter were found too short to reach from bank to bank. Standing in the stream, shoulder to shoulder, these Britons raised bridges, rafts and planks to their broad shoulders and stood there like veritable pillars of rock while across this improvised bridge the Manchesters stepped quickly, lightly, in single file—all in the teeth of an intense enemy *barrage*. The Battle of the Hindenburg Line—in which Canadian forces shared—between Sept. 26th and Oct. 12th—was the pivotal operation of this year; the final smash through the Drocourt-Quéant line was prepared for by advances of the British-Belgian army on one flank and the French-American army on the other; the result was vital in proving to the entrenched enemy that he was actually beaten and would have to retreat from his supposedly invulnerable positions. As the Americans afterwards claimed to have first broken the Hindenburg Line the following description by F. H. Simonds, the American correspondent of the New York *Tribune* (Oct. 26th) may be quoted:

Having made Ludendorff anxious for both his flanks, Foch was now ready for his master-stroke. Already the British between the Scarpe and

the Somme, between Douai and St. Quentin had been active, had pushed forward and taken many valuable jumping-off places. But on Oct. 8, on the front between Cambrai and St. Quentin, aided by Debeney's French army between St. Quentin and the Oise, three British armies, those of Horne, Byng and Rawlinson, struck. What happened was the greatest British achievement in all the centuries of British warfare on the Continent. All the past disappointments were banished, all the old defeats were avenged; in three days the British drove straight through the twelve miles of the Hindenburg line, on the front where it was strongest, and pushed out into the open country beyond. By Oct. 12 they were in Le Cateau, St. Quentin had fallen, the fall of Cambrai was assured, the old battle-field of First Cambrai had been crossed by the victorious British. The Hindenburg line was a memory. This fact, too, should be emphasized, the British thrust was the final thrust of the whole battle. In the decisive battle of the World War, Foch had called upon Haig's armies, as Napoleon was accustomed to call upon his Old Guard, and the British had made the response of the Old Guard.

Yet Maj.-Gen. Sir F. B. Maurice (Oct. 28th) felt it necessary to say: "I wonder how many people there are in England to-day who realize that on Oct. 8 our Third and Fourth Armies accomplished one of the greatest feats of this or any other war." As the London *Chronicle* put it on Oct. 20th: "The victory of Cambrai will rank as one of the proudest feats of British arms. It was a decisive battle in that it smashed the Hindenburg Line and broke the German illusion about its invincibility." British troops then passed on from victory to victory until Mons was reached and redeemed—by Canadians in large part. Meantime, British soldiers had marched into Jerusalem and Jericho and crossed the Plains of Armageddon and the waters of Jordon, had captured Damascus and Aleppo, had redeemed Kut and were holding Bagdad, had occupied part of Persia and even taken far-off Baku in the Caucasus, had held Egypt and occupied Bucharest, had redeemed Africa from partial German rule and ensured the red line of a British Railway from the Cape to Cairo. Let these references end with Sir Douglas Haig's General Order as his troops entered upon German soil and occupation: "Intercourse with the inhabitants of Germany will be confined to what is essential, and will be marked by courtesy and restraint. It is not seemly that anything approaching familiarity should be allowed to enter into any relations between British soldiers and men or women of the German nations; but neither is it in accordance with our traditions to do otherwise than to respect the persons and property of a beaten enemy."

Aside from the actual fighting there were almost marvellous conditions associated with the British armies. The medical work of the military organization was frequently described as beyond eulogy; epidemic disease was reduced to a minimum, almost obliterated in fact, sanitation was developed with scientific thoroughness and effect, the care of the wounded and surgical operations were brought to a degree of perfection amidst difficulties almost beyond description. The war against waste was carried on with precision, persistence and success. Everything was salvaged—spent shells, pieces of equipment, boots, bits of cloth or leather, unused cartridges, rifles of all kinds, bayonets, caps, tin helmets, bits of

machinery or guns and a multitude of other scraps and littered fragments of the battlefields.

The British Tanks were a splendid subordinate influence in bringing victory. They shared largely in the British and French victories of September and October; they added greatly to the driving weight and speed of assault in modern intensive attack and their use had been developed tremendously by the British command during this whole year. The new Tank had twice the speed of the earlier type, and more than twice the radius of action. Infantry was practically powerless against it under certain conditions. If infantry attempted to rush an oncoming tank, they were machine-gunned in the open by moving armament. If they stayed in their trenches, the tank straddled the line and enfiladed them with direct short-range fire; if they retreated to shell-holes or dug-outs, the tank lumbered along right over them, and crushed them into the ground. The light high-speed tanks known as "whippets" were a development of 1918 and they were killing-machines, pure and simple, for they could bear down upon fortified points and batteries at such a speed that there was little chance of getting either guns or men away in time. These were followed by supply tanks, large and heavily filled with supplies of gasoline and ammunition, while armoured motor-cars surrounded and accompanied them. Ludendorf might have mines and barricades, heavy guns and anti-tank guns, with very strong barbed wire, concrete buffers, heavy beams and deep excavations, but all to no effective purpose. Gas was, for a short time, used successfully in the form of carbondioxide bombs which asphyxiated the engines but the antidote was soon found. A British estimate in this year was that 36 Tanks (a battalion) saved 1,000 casualties a day in action.

Another element of British success was the transportation system of 1917 and 1918—behind the lines or following the advances to victory. Harold Begbie declared in August of the latter year that: "We have erected and equipped in France, alone, nearly 2,000 miles of light railways. We have erected and equipped in all the theatres of war, bringing metals and locomotives from as far as Canada, 4,000 miles of permanent railway track. For this purpose and for the making of roads we have made shipments amounting to 200,000 tons a month. On the rivers and canals of France our tugs and barges carry over 50,000 tons of supplies every week. We have organized an overland line of communication between France and Italy to the shores of the Mediterranean. We have built on foreign soil miles of most splendid roads, raised up great cities of hutments, laid miles of railway tracks, and established a system by which millions of men continually on the move are unfailingly supplied, not only with everything essential to their health and amusement, but everything that may minister to their intellectual ambitions." The British Army also led the way in almost every invention—the fuse which acted instantaneously in concussion, a trench mortar with three times the range of former mortars,

a flying machine without a rival, an almost certain protection against poison gas.

The Naval Power and Supremacy of Great Britain. The transformation of Great Britain into the greatest of military Powers was the most spectacular event of the War; of greater importance, perhaps, was the quiet maintenance of her supremacy as the greatest of naval Powers. Ruling the waves had long been a fact, and without this condition the great little Island and her Empire would have lost the war before it began. Great as its Fleets were in 1914 they were much larger at the close of the struggle when the *personnel* had grown from 145,000 to 450,000 and the tonnage from 2,500,000 to 6,000,000 while the German Navy, the second in the world and costing $1,500,000,000 was sealed up at Wilhelmshaven and a German overseas trade of $2,000,000,000 wiped out of existence. The services of the Navy were so silent that many, even in Britain, hardly realized how sweeping they were. Yet, without it France could not have been helped by the millions of men who poured across the Channel and the Atlantic and, indeed, from all parts of the world, to its central battlefields; without it the Empire could never have conducted simultaneous campaigns in Egypt, East Africa, the Cameroons, South West Africa, the Balkans, Palestine and Mesopotamia; without it Germany's colonies could not have been conquered and held, with Germany quite impotent to rescue them; without it the Belgian army could never have been re-armed, reconstituted, and re-equipped, or the Serbian forces similarly saved and re-made; without it Russia would not have been munitioned for three long years or Italy enabled to overcome her natural deficiencies of supply and industry, or France to remain a great manufacturing nation; without it Greece could not have been held to the Allied cause and Bulgaria and Turkey eventually forced to yield; without it the distant power of America could not have been rendered effective or the Allies enabled to import freely from the neutral world all that it could supply.

In the Navy, for auxiliary services, were absorbed two-thirds of the British Mercantile Marine; by it the transport of armies and supplies became a continuous and vital factor in the War. The North Sea was swept day and night by the Grand Fleet which covered its area of 140,000 square nautical miles; a British Empire seatrade of at least $40,000,000,000 was guarded in this and preceding years of war despite all that Submarines could do; a lane of secure passage was established and held between England and France for the transfer of millions of men and millions of tons of supplies. The North Sea, during this period, presented the most remarkable scene in the world's history—a centre of sea-power and the scene of a naval activity almost inconceivable in its vast and ceaseless effort. There were long lanes of swift destroyers, great units of varied nature, fleets of myriad motor-boats, and small shipping for observation or mine-sweeping or mine-laying; a wonderful train-ferry service across the Channel for guns, munitions, and stores with aero-

planes aloft and destroyers all around and submarines below. Great merchant ships from all over the world steamed across prescribed lines of passage, transport ships with soldiers passed day and night without the loss of a man, other transports in unceasing stream carried munitions and food and supplies to armies of millions of men—all their war-action turning upon the ability of towering battleships with capacities reaching to 27,000 tons, with crews of over 1,000 men and a driving force of 60,000 horse-power, to hold the seas.

Besides all this there was a subsidiary land-work of construction and repair which employed 2,000,000 workers who built warships and mercantile vessels with but little stint of time, or strength, or labour. There was, also, the auxiliary craft of tiny size but great value manned by 50,000 volunteers which aided in every kind of coast work, life-saving at sea, submarine detection, general watchfulness and frequent fighting with the under-sea foe; there were Sea Scouts or British boys who, in thousands, took up similar lines of work in small craft and did gallant service in paths of varied adventure and useful effort. The Royal Naval Air Service performed a work of the same silent, valuable character as that of the Navy itself—dropping bombs on Ostend and Zeebruggé, following and fighting German raiders or submarines, helping Italian efforts, dropping bombs on the Turks at Gaza or at Constantinople, "spotting" the enemy on sea and coast. The Navy, as a whole, prevented 2,000,000 enemy subjects of military age from crossing the seas to join the forces of Germany or its Allies. In one month, alone, the Fleets steamed 8,000,000 miles; in six months of 1918, according to Mr. Lloyd George on Aug. 7th, they destroyed 75 German submarines and figures issued at the close of the year showed a total of 202 destroyed by the Allies during the War and 14 others by Germans in order to prevent capture—the number surrendered to Great Britain under the Armistice terms being 180.

Sir Eric Geddes, 1st Lord of the Admiralty, stated officially on Nov. 9th, that the British Navy during the War had escorted 22,000,000 combatants with a total Naval loss, from all sources, of 50,000 men. Before these totals and figures were complete much, however, had happened and Britain had gone through various stages of depression, loss and triumph. Primarily, the Submarine was responsible for many British difficulties—restricted food import, obstacles to transport of men and supplies, heavy calls upon shipping and ship-building, anxieties greater than ever the public knew, Navy responsibilities so heavy as to be almost unbelievable. They were overcome but the strain was as heavy as the fighting on the various fronts—and that is saying much. Between Feb. 16th, 1917 and Feb. 16th, 1918, 1,302 British ships were sunk by mine or torpedo and Lord Milner, on Jan. 8th of the latter year, testified to the critical nature of the situation at that moment: "The question of success in the War comes back to the Submarine, which hampers our war activities in many directions and will, unless controlled,

MAJ.-GEN. SIR F. O. W. LOOMIS, K.C.B., C.M.G., D.S.O.,
Commanding 3rd Canadian Division at the Front, 1918.

MAJOR-GENERAL SIR DAVID WATSON, K.C.B., D.S.O.,
Commanding 4th Infantry Division, Canadian Corps.

gravely interfere with the transport and supply of the American army. All efforts against the Submarine will count at the maximum." On top of this came the super-submarine. The public did not know what was done to meet this crisis but the facts appeared at the close of the year.

In addition to increasing the construction of ships, Submarine cruisers were evolved and constructed which had two funnels, and made 24 knots an hour on the surface under steam power. They carried from 8 to 10 torpedo tubes, two or three 4-inch guns, and were equipped with internal combustion motors for surface cruising. The batteries for their undersea power could be charged from both the steam and combustion engines, and an ingenious scheme was devised for quickly dismantling the funnels before submerging. They displaced 2,000 tons on the surface and 2,700 tons submerged. They were 340 feet long, with a cruising radius of 3,000 miles. Another important device was the depth-charge bomb, another was the *camouflaged* gun-boat, and still another the undersea methods of detection. February was a bad month but on Mch. 6th, 1918, Sir Eric Geddes stated that the curve of losses was going downward; at the same time there was a regrettable drop in ship production. And so the ups and downs continued, with great improvement visible from time to time, but with a continuous strain upon British labour and resources which it is difficult to indicate.

Incidents came swiftly in this year. On May 15th a great mine field covering 22,000 square miles came into operation in the northern part of the North Sea for the purpose of holding Submarines at their bases; the gallant and successful effort to close up the submarine base of Zeebrugge—on St. George's Day—won immortal fame for Captain A. F. B. Carpenter, V.C. of the *Vindictive;* stories of the brave deeds of merchant vessels in fighting Submar ines were many and vivid and the official murder of Captain Fryatt and other outrages only made British seamen more determined not to fall into the enemy's hand; by June a stream of British and American ships was bearing tens and hundreds of thousands of troops across the Atlantic and the Submarines were, in vain, attempting to restrain or check the process. On June 28th, after a million men had crossed from the United States, Admiral W. S. Sims, in command of the United States Fleet, was able to say in a London interview that: "The world is witnessing to-day the most impressive manifestation of sea-power that history has ever recorded. The enemy has not a single surface vessel on any of the trade routes. The Seven Seas are free to Allied commerce. A year ago Allied tonnage was decreasing and the number of Submarines was increasing, and the Central Powers were winning the war by rapidly cutting the lines of communication of the Allied countries and their armies. These conditions are now reversed. Tonnage is rapidly increasing, and the Submarines are decreasing in number and in efficiency. The Submarine campaign is, therefore, doomed to failure."

Between January and June the sinkings of British ships had declined from 218,528 to 161,062 tons a month and construction had increased from 58,568 to 134,150 tons of shipping. Yet the Submarine was not overcome though checked; the least cessation in British construction or effort and its power would have become overwhelming. As late as October 14th, Sir Eric Geddes at New York made a vigourous appeal to expedite construction operations: "There is no greater service that can be rendered by the civilians of the United States, to-day charged with that privilege and duty, than to expedite the output of destroyers and anti-submarine craft and appliances of every description. There is no greater need to-day than the need for the utmost Naval effort against the great offensive of the Submarine which is now materializing." In the end this offensive was beaten as were others of preceding months and years but the final figures for the War showed the destruction of 15,053,786 gross tons of British, Allied and Neutral shipping. Against this the world construction of new ships was 10,849,527 gross tons and the enemy tonnage captured 2,392,675 tons or a net loss of 1,811,584 tons. British losses were by the far the greatest in this total being 9,031,828 tons up to Oct. 31st, 1918; against this was a total British construction of 4,342,296 with British purchases abroad of 530,000 tons and an enemy tonnage captured of 716,520 or a net loss of 3,443,012 gross tons.

As the Submarine danger lessened in volume it became more vindictive and active in detail. Hospital ships were sunk without mercy, drowning seamen were shot, or submerged and their boats destroyed, by the enemy submarine, fishing vessels were sunk on the Canadian coast—with 56 American ships along the United States coast—and up to this time 15,000 out of 300,000 peaceful merchant seamen of Britain had been killed by this new form of piracy. Some names in this connection might well be recorded here: Schwieger, who commanded the U-Boat which sank the *Lusitania;* Wagenfuhr, who sank the *Belgian Prince* and drowned its crew; Schweider who was claimed in Germany to have destroyed 130,000 tons of merchant shipping; Pustkuchen who sank the *Sussex.* But terrorism at sea was no more effective against Britain and the Allied will to victory than was brutality on land and the British Navy, while keeping the Submarines in check and preventing them from winning the dominance of sea and shore which they aimed at and would have attained without its operations, was able by the close of the War to report the transmission of 22,000,000 soldiers to one or the other of the battle-fronts or back again, the transhipment of 86,000,000 tons of stores for the British Naval and Military forces, and 24,000,000 tons for Great Britain's Allies together with 2,000,000 animals. As to this Admiral Sir Wm. Grant, Commander on the North American Station, told New York on Nov. 6th, something in detail:

> The Navy has been at work day in and day out checking German attempts to raise native populations in India and elsewhere, preventing the

formation of raider and submarine bases, and in general protective measures against mine-laying and raiding of the vast Overseas traffic, which included transport of great numbers of troops, more than 200,000 Chinese coolies to France, and millions of tons of rice, sugar, oil, wheat, rubber, tin and other material. The campaigns in Mesopotamia, Palestine, etc., were absolutely dependent on the Navy for transport of troops and all supplies overseas. Rivers had to be dredged, wharves and piers built and railways laid. Japan, China, Hongkong, Siam, Straits Settlements and India were ransacked for tugs and small craft; Burmah and Borneo for hundreds of thousands of tons of timber, and India for railway material and coal. The same countries sent large supplies to the Salonica armies, and still larger to the armies in Egypt and Palestine. In German East Africa the same story held good.

Then came the triumph of British sea-power, the greatest event in the history of the Royal Navy, the most humiliating one for the enemy recorded in the annals of the world. On Nov. 5th the seamen of the German fleet, tainted by Bolshevism to a great degree, urged by fears dating from the Battle of Jutland and the continuous whisper of submarine losses, weakened in *morale* by the starving country behind them, refused to go out and fight a last desperate battle with the British—as the French had done at Trafalgar and the Spaniards off Santiago. On Nov. 11th the Armistice included the compulsory surrender of 9 Battleships, 5 Battle-cruisers, 7 Light-cruisers, 49 Destroyers and all remaining Submarines—160 out of 360; on the 21st the surrender took place under elaborate and specified conditions with the German High Sea Fleet in command of Admiral Meurer and the British Grand Fleet, with a few American and French battleships, in command of Sir David Beatty. The British Fleet in long lines of massed sea-power—made up of great battleships and cruisers, numbers of submarines and 150 destroyers—with guns mounted and seamen ready for action, watched in absolute silence the procession of German men-of-war led by H.M.S. *Cardiff* to the point at which the ships were to be handed over for internment at Scapa Flow. When the brief and strictly formal ceremony was over Admiral Beatty issued a message of thanks and appreciation to his Fleet and of regret at not having had a final and long looked-for action with the enemy. "Yet," he added, "a unique tribute has been paid to the Grand Fleet. Without joining us in action the enemy has given testimony to the *prestige* and efficiency of the Fleet without parallel in history, and it is to be remembered that this testimony has been accorded to us by those who were in the best position to judge." The German Navy—the second greatest in the world—had started with the black flag of Submarine piracy; it ended under the red flag of Bolshevist socialism. "Der Tag" had come but it was different, indeed, from the toast of the German fleets in pre-war days. Sir David Beatty's historic signal to the German Fleet on *The Day* is a sufficient comment: "The German flag is to be hauled down at 3.57 and is not to be hoisted again without permission." Meantime on Nov. 13th a British Fleet, with some Allied ships, under Admiral Sir Henry Wilson had steamed into the Bosphorus and received the submission of Constantinople and the Turks.

Naval incidents of the year, or information which became public after the Armistice, included details of the regular tram-ferry service across the English Channel which in the last 8 months of the war carried to France 17,686 ten-ton railway waggons and 227,733 tons (gross dead-weight) of material; facts as to the new Naval construction of Great Britain during the war which totalled 5 Battle-cruisers, 27 Light cruisers, 63 Monitors or gunboats, 230 Sloops, 250 Destroyers, 150 Submarines, 630 Patrol and Motor boats, 40 Navy oil-tankers and 10 special service ships, with 9 Dreadnoughts of the Queen Elizabeth type which had been commenced before the War; the description by Vice-Admiral Sir Roger Keyes (Dec. 13th) of anti-submarine methods such as the channel *barrage* which consisted of two lines of specially-built ships able to ride at anchor through the stiffest gale, with masses of submarine devices underneath and with scores of drifters and patrol craft in every direction above; the fact stated by Sir Eric Geddes that 2,475 British merchant ships were sunk during the War with their crews in them and 3,147 vessels whose crews were cut adrift; the official statement as to 39,766 Naval casualties in which 2,466 officers and 30,895 seamen were killed or dead of wounds and 1,042 officers and 5,363 men wounded or missing, while 14,661 officers and men of the Merchant Marine and fishing boats lost their lives; the announcement that nearly $50,000,000 in Naval prize money was to be distributed amongst the officers and men of the Navy; the statement that 80 per cent. of the vessels latterly engaged in anti-submarine work in the eastern Atlantic were British and 14 per cent. American, that 78 per cent. of the Allied submarines engaged in those waters were British and 5 per cent. American while in the Mediterranean 26 per cent. were British; the fact that British mine sweepers did a continuous work illustrated by the loss of 169 ships from mines in 1916 and only 25 ships between Jan. 1st and Sept. 30th, 1918, while in a month they would comb 46,000 miles of water and steam 1,132,000 miles.

British Aviation in the War. One of the greatest factors in the war was Aviation and in it the British, who had started from a minimum basis, attained, eventually, almost absolute supremacy of the air. Before this stage was reached Great Britain had suffered from Zeppelin and Aeroplane raids, there had been a long period on the Western front in which first one side and then the other was dominant, the French for a time had been superior to Britain in quality and number of machines and even in the training of flyers. The Aeroplane at the beginning of the War was still in an experimental stage; six years had elapsed since Orville Wright in the United States, Henri Farman and Louis Bleriot in France had produced the first machines capable of an extended flight; it was still uncertain how far the aeroplane could be a factor in commerce, in transportation, or in war. There were isolated cases in which a machine had risen to 24,000 feet, had flown for 24 hours without

alighting, or had attained a speed of two miles an hour. But there was no all-round evidence of efficiency or capacity for continued effort. Gradually, as the War progressed, and every element was brought into play, the usefulness of the aeroplane became obvious for *reconnaissance*, for finding out enemy movements, for defence against the Zeppelin, for bombing the enemy, for destroying enemy supplies or trenches. Its importance grew, the game of war in the air became absorbing, its danger, even, was an attraction, its efficiency became vital.

Under such conditions Great Britain threw her energies into the production and improvement of machines and the training of men; volunteers poured into the Service and the pick of British, Canadian and Australian young men took up Aviation; the Royal Flying Corps and the Royal Naval Air Service grew to great and effective proportions. In the 1st Battle of the Somme, 1916, and following that time, Aeroplanes became a great factor in the War. They subdued the Zeppelin and helped to check the Submarine; they flew over and dropped bombs upon the enemy trenches, roads, railways, munition dumps and junctions, aerodromes, etc.; they attacked marching troops and checked or even stopped offensive movements; they demoralized transports and supplies and units of the enemy—while encouraging units of their own forces; they were the eyes of the Army, and of the guns, of the command in military tactics and operations, of warships on duty, of convoys at sea, of merchant ships with great cargoes. They developed phenomenal speed and capacity and, by the beginning of 1918, the supremacy of the British aeroplane was undoubted with that country turning out large numbers of the fastest and most powerful armed air-craft in the world while her airmen, in personal quality and training, away out-classed the enemy and excelled all others except, perhaps, the French.

In 1917 the British Handley-Page machine had carried a pilot and 20 passengers to a heighth of 7,180 feet and another had travelled from London to Constantinople carrying 6¼ tons of freight while, in 1918, the 2,600-mile trip from England to Egypt was accomplished. At this stage, also, the Royal Air Force—which was a combination of the R.F.C. and R.N.A.S., on April 1st, under one management—divided its operations into three groups as follows: (1) Reconnaissance machines—used for contact patrol work over the lines, the direction of artillery fire, photography, and general strategical work; (2) heavy bombers—capable of travelling long distances without escort, and carrying heavy loads of bombs in addition to defensive armaments; (3) fast fighting scouts—possessing exceptional climbing powers, heavily armed, and capable of manœuvring at a very high rate of speed. There were, also, huge battle-planes equipped with cannon and one, especially, prepared and almost ready to bombard Berlin when the Armistice came: there were seaplanes, flying-boats and hydro-aeroplanes while Wireless was installed and the co-operation of units in Squadrons ren-

dered effective. Before the close of the War the chief British aeroplanes were working as follows:

Machine.	Speed at 10,000 ft.	Time required to climb 10,000 ft.	Continuous flight capacity.
F. E. 2. B.	76	40 minutes.	3½ hours.
Vickers' Fighter	76	40 minutes.	3½ hours.
Sopwith 1½ Strutter	103	19 minutes.	
Bristol Scout	111	10 minutes.	1¾ hours.
A. W.	88	27 minutes.	3 hours.
Sopwith Camel	118	10 minutes.	2½ hours.
D. H. 4.	120	11 minutes.	4 hours.
D. H. 9. A.	120	11 minutes.	6 hours.
Bristol Fighter	113	11 minutes.	3 hours.
S. E. 5. A.	126	10 minutes.	3 hours.
Dolphin	128	8¼ minutes.	1¾ hours.

The first great Aviators of the war were French—Garros, Guynemer, St. Pégoud, Dorme, Fonck, Madon, Boyau, Nungessor. Then came the British period and Alfred Ball, V.C., M.C., J. F. B. McCudden, V.C., D.S.O., M.C. and bars, P. F. Foulard, D.S.O., M.C., Leefe Robinson, V.C., E. Mannock, with Bishop, Barker and others of Canadian fame. In this development the directing forces had been Maj.-Gen. E. B. Ashmore, Chief of the London Air Defences, Maj.-Gen. Sir Hugh Trenchard, the first Chief of the Air Staff, Maj.-Gen. Sir F. H. Sykes, Lieut.-Gen. Sir David Henderson, Maj.-Gen. W. S. Brancker. Late in 1917 the Air Forces were merged under an Air Council with status and powers similar to that of the Admiralty and its President a member of the Government. Lord Cowdray was the first Minister and in 1918 the position was held by Lord Rothermere and then by Lord Weir. During this year, after much and prolonged discussion the question of Aerial retaliation upon German cities for the air-raids, or attempted raids, upon English centres and for atrocities of other kinds perpetrated by the Germans, was settled against the enemy and active and effective work was done—with this difference that the British did no promiscuous bombing and endeavoured to operate along purely military lines. As the year progressed Freiburg and Coblenz, Saarbrucken, and Stautern, Metz, Treves, Thionville, Karlsruhe, Mannheim, Bonn, Cologne, Essen, were bombed with many other centres—in 238 organized squadron raids between October 1917 and March 1918, British aviators dropped 48 tons of bombs upon ironworks and factories and in doing so faced great difficulties in frost, snow, gales and heavy mists. In the week ending March 17th the R.F.C. destroyed 99 planes and drove down 42 along the Western front while themselves losing only 23.

Following the great German offensive of Mch. 21st, the Aviators performed marvellous deeds of heroism—an epic in air fighting was the record of succeeding weeks; in ten days, and at close range of enemy guns, they fired 1¼ million rounds of ammunition into the solid ranks of the advancing Germans besides fighting enemy planes at every point and dropping 200 tons of high explosives upon Ger-

man troops, munition dumps and military bases. A little later and press correspondents were complaining that the German aeroplanes would no longer fight—they simply cut and ran; in the Allied advance of the Summer this gave a great advantage to the British and French. They had eyes everywhere while the enemy was practically blinded. Up to June 2nd the British had brought down 336 German machines of which 283 were totally destroyed; 14 leading German air-men were reported killed including Von Richthofen, Mueller, Von Bülow, Kleine, etc.; so safe had the air become that on July 6th the King and Queen Mary, escorted only by three aeroplanes, flew from the Belgian coast to England; during this month the British Aviators were able to carry on operations far behind the German lines with but little trouble from the enemy in the air—when fighting did take place the British would face any number of their opponents and would usually bring several down.

During August the general situation became desperate for the enemy and air fighting revived to a great degree. Some of the most severe conflicts took place on Aug. 8th in the sector between Albert and the Amiens-Roye road, where the German air forces had been increased considerably after the opening of the Allied offensive. The air fighting resulted in the destruction of 48 enemy machines, while 17 others were driven down out of control; 50 British machines did not return. During six succeeding days 185 enemy aeroplanes were destroyed and 89 driven down out of control, making a total of 339 German machines for the week, compared with 123 British aeroplanes missing. A British aerial dreadnought (Handley-Page) appeared during this month with space for several guns and gunners, a large bomb store-room and a great mass of machinery; several British universities in this year established Chairs in Aeronautics; in August a belt of Rhine valley railways, war factories and workshops and 21 important industrial towns were shelled by British planes with great destruction of war material. By the beginning of September the British supremacy of the air in France and Belgium and Germany, on the Salonika, Mesopotamian and Palestine fronts was as distinct as was its supremacy at sea; on the Western front 2,000 British planes were crossing the German lines daily to 10 Germans crossing the British lines. What Tanks were to the infantry, also, aeroplanes now were to the Tanks while in the four months ending Sept. 30th 2,000 enemy machines were accounted for by the Royal Air Force.

Elsewhere, in the Austrian retreat from the Piave, British aeroplanes did splendid service to the Italian cause; in the Far East they linked up the British forces at Damascus and Bagdad and Cairo. During the first four years of the War, according to L. La T. Driggs in *Heroes of Aviation* the British had 111 aces (men who destroyed 5 or more of the enemy planes) with 1,629 air victories to their credit, France had 77 aces and 847 victories, Italy had 14 aces and 193 victories and the United States 14 and 121 respectively. The statement was very incomplete because the heaviest air fighting

and the most crucial for the British was in the months of August-November, 1918; official figures of German air-craft destroyed by British airmen in France showed 292 in June, 1918, 294 in July, 467 in August and 389 in September or 1,443, altogether, with machines lost of less than half or 668 in number. British reports for the year ending June 30th, 1918, stated the destruction of 2,150 enemy machines by the R.A.F., the driving down of 1,083 others while Naval Air Force units shot down 623. Against this total of 3,856 the British losses were 1,094. Elsewhere the gains were 46 and the losses 27. Up to the Armistice date the Western front total was 7,054 destroyed or driven down out of control. The Armistice itself compelled the surrender of 2,000 more. During the War the British Air Force had dropped 6,042 tons of bombs and had fired over 10 million rounds of ammunition. Later official figures showed that an Air Force of 272 machines, 197 officers and 1,647 men before the War had increased by October, 1918 to 22,171 machines, 27,906 officers and 263,842 men. Following the close of the War, in December, Major-Gen. Salmond travelled from Cairo to Calcutta, or 3,950 miles, in a Handley-Page machine.

British Elections of 1918; Triumph of the Government.

The most important Election in British history was also the most definite in policy, the largest in its electorate, the most pronounced in result. Mr. Lloyd George had lead the nation through the early war difficulties of Finance, the tremendous problem of Munitions, the varied complications of Labour, the ever-present problem of recruiting or Conscription and had brought the ship of State into the quieter waters of the Armistice. In that situation he found his Empire faced by the greatest questions in variety, nature and complications which had ever faced a British leader or combination of leaders or been dealt with in a Conference of international statesmen. Back of him were a people who had been reasonably united on the War but whose opinions as to the problems of peace-making were quite uncertain and some of whose leaders—especially those of a Pacifist character—were fighting fiercely for an Election which, they hoped, would turn the country upside down politically and place it in the hands of international Pacificism. Instead of settlement there would have been world anarchy, instead of Peace a storm beside which that of Russia would have seemed a faintly-pencilled shadow. The Prime Minister took these particular opponents at their word and gave them their chance; incidentally 21,000,000 voters, men and women, had voice and vote in the decision.

The Liberal leader, H. H. Asquith, was not anxious for an Election though he stood aloof from the Prime Minister; his policy as a whole had been one of conciliation toward the large number of Liberals who had joined or supported the Coalition; his action as to the War was as patriotic as had been his policy at its inception and in the first strenuous years of its progress. His general

attitude of mind and leadership remained the same as in the past and, to the London Liberal Federation on Jan. 15th, 1918, he defined the Party policy as including nationalization in Education, the increase of popular land-ownership, a more rational and productive system of agricultural cultivation, the extension and development of co-operation among producers, and, above all and before all, adequate, decent housing and a minimum wage for the labourer. These things had been in hand when the war-storm burst; since then, Women had won an entirely new position and, in his view, relations between capital and labour had assumed conditions which were ably treated in the Whitley Report: "Trade conditions had greatly changed but there is nothing in any lesson taught by the War to impair our faith in Free Trade as an indispensable condition of the prosperity and progress of a country situated like ours."

Between Jan. 12th and April 6th a series of Liberal Conferences were held at Huddersfield and covered varied fields of thought in Labour and industrial economics, in problems of Democracy, in matters of home life and health, in the status of Women problems, in after-war and fiscal conditions, which were freely discussed by Sir Alfred Mond, Lord Leverhulme, H. A. L. Fisher, J. M. Hogge, John Dillon, J. M. Robertson, Sir W. H. Dickenson and other prominent Liberals. Preparations, also, were made for political and propaganda fighting but, on July 8th, a Bill to again prolong the life of Parliament for six months was passed with little opposition and with no expressed intention or desire to hold an Election during the War. On Sept. 28th the General Committee of the National Liberal Federation met at Manchester with Sir George Lunn in the chair and addresses from Mr. Asquith, Herbert Samuel, J. M. Hogge, T. M. Wood, Walter Runciman, the Marquess of Crewe, Sir George Toulmin and other leaders or members of Parliament. A Resolution was passed declaring that an Election during the War should, if possible, be avoided. If it had to come, however, a series of Resolutions were approved embodying the policy of that portion of Liberalism which had refused to follow Mr. Lloyd George into Coalition:

1. Declaring it a paramount duty to "support the effective prosecution of the War until a just and lasting peace is assured."
2. Supporting the establishment of a League of Nations to protect the equal rights of States, great and small, to prevent future conflicts, and to secure the limitation of armaments.
3. Declaring that while diplomatic negotiations must often be conducted under the seal of secrecy, no Treaty or vital understanding with other countries should be operative until ratified by Parliament.
4. Demanding that the bureaucratic control of trade and labour, and the limitations imposed upon personal liberty and upon freedom of speech and of the Press, be brought to an end.
5. Urging that the guiding principle in National Finance must be the adoption of adequate measures for paying off the Debt which the War had accumulated; and that, in apportioning the burden thus placed all sections of the community should bear a share graduated according to their financial ability.

6. Expressing satisfaction that the United Kingdom, the only Free Trade country among the Allies, had been able to finance, during years of costly warfare, not only her own efforts, but a large part of the effort of all her European Allies, and that, possessing through Free Trade, nearly half the merchant shipping of the world, she had been able to save the Allied cause from disaster.

7. Declaring that Protection maintained a high cost of living and thereby impoverished the people, encouraged the formation of rings and trusts, increased the cost of production, injured the export trades, and damaged the shipping industry.

8. Re-affirming the declaration that there could be no settlement of the Irish question except through the establishment of Home Rule, and calling upon His Majesty's Ministers to fulfill their pledges by taking steps without delay to that end.

9. Asserting that the Second Chamber should be on a representative basis, and that the existing House of Lords should be abolished; urging constitutional reforms in India so as to secure the gradual development of self-governing institutions "within the British Empire"; advocating the grant to British Dominions and India of a due share in the control of Foreign Policy and in other matters of concern to the whole of the British Commonwealth.

10. Urging the equality of women with men and the removal of artificial restrictions on their opportunities; favouring the opening of professions to women on the same conditions as to men, the conferment of University Degrees on equal terms, the admission of women to share in the making of laws and the administration of justice; suggesting a revision of the law relating to the guardianship of children and better provision with respect to Maintenance and Affiliation Orders; urging equality of the sexes in laws relating to divorce and morals and equal eligibility for election to Parliament.

11. Declaring that the time had come when there should be a fundamental change in the relations between employers and employed; that the workers must be given a full share in determining conditions which affect their own lives; and that Industrial Councils, to secure the self-government of the trades, should be established in accordance with the proposals in the Whitley Reports.

12. Asserting the interest of the people in the land, and the need for a revision of the Land laws and taxation of Land values; urging a comprehensive national Housing and Town-planning scheme.

13. Favouring full popular control of the Liquor traffic and moderate Temperance legislation along lines of license and restriction.

14. Advocating a Free educational system from the primary schools up to the Universities.

In his address Mr. Asquith again stood for Free Trade and declared there was nothing in the experiences of the War to prove that after Peace "we should be any better off by any system of Tariffs, preferential or differential, primitive or prohibitive." The Liberal *Handbook*, issued in November, dealt in a series of articles with these topics and with Social reconstruction after the War. The Government was very mildly criticized, war-action strongly supported, Labour conciliation urged, and the Whitley Report as to organization of Joint Industrial Councils taken as a basis for action. Free Trade was supported and Protective or Preferential duties condemned. These were the lines of Liberal Opposition policy when Parliament was dissolved during this month.

The Labour Party was the active force in opposing the Government; the aggressive section wanted an Election, hoped to run hundreds of candidates, and expected to win hundreds of seats. It was, of course, a case of divided counsels; and, as with the Liberals,

a large though undefined section under capable leadership stood by, and was represented in, the Coalition. When the Election was called the British Labour Party, as it now was termed, issued a Manifesto declaring that Labour had had no mean place in winning the War, that a system of Democratic diplomacy had become essential, that a Peace of International co-operation and friendliness was their policy. The immediate evacuation of Russia by Allied troops was demanded and non-interference with the young democracies of Europe declared essential; freedom for Ireland and India within the British Commonwealth of nations was urged. If given power the Labour Party would put into legislation large schemes of Land re-organization and nationalization with the abolition of landlordism; it would build a million new homes for the people at the expense of the State, and pass a really comprehensive Public Health Act based on prevention rather than cure; it would enforce a free system of public education and oppose the indirect taxation of the poor by means of Tariffs; it would stand for Free Trade, while meeting the burden of War Debts by special taxation of capital—heavily graduated and direct; it would organize the State along Socialist lines and enact the immediate nationalization and democratic control of vital public services such as mines, railways, shipping, armaments, and electric power.

A minimum wage was promised and this statement made: "With this must go abolition of the menace of unemployment, recognition of the universal right to work or maintenance, legal limitation of the hours of labour, and drastic amendment of the Acts dealing with factory conditions, safety, and workmen's compensation." It was declared that "in politics the Labour Party stands for complete adult Suffrage, in industry for equal pay and the organization of men and women workers in one Trade-Union movement." At an emergency meeting on Nov. 14th this "advanced" Labour Party, by a vote representing 2,117,000 to 810,000 members, declared that the General Election would "terminate the conditions under which the Party had entered the Coalition" and that its members should withdraw from the Government whenever Parliament should be dissolved. The Rt. Hon. G. N. Barnes, one of the Labour leaders in the Government at once severed his connection with the Party. At the same time Mr. Asquith announced that he and his followers stood upon the Manchester platform given above and in opposition to the Government.

Mr. Lloyd George opened his campaign at Westminster on Nov. 16th, announced the dissolution of Parliament and declared that the decisions of the new House would be almost as vital to the country, the Empire, and the world as was the result of the War: "We have to examine old problems; we have to consider anew many fundamental questions. At this moment the air of Europe is quivering with revolution. Two-thirds of Europe has been swept by its devastating deluge; the situation is full of perilous possibilities, and if the new Parliament, through lack of courage on the part of those who lead it, through lack of support on the part of

those who are there to guide it, through the selfishness of interests, or through factions of partisans, should fail, the institutions, even, of this country, may follow those of many in the rest of Europe. Great Britain has for generations set an example to the world of steadiness in government, of the power of adapting itself to new conditions. Let it continue to set that example." His reasons for dissolution were simple—the need of a mandate from the people at the coming Peace Conference and in the settlement of pending home problems. He deprecated the action of the Labour Party and a section of the Liberals and declared strong national support to a strong Government to be absolutely essential. He followed up this, and other speeches, with a Manifesto on Dec. 5th from which the following important extracts may be given in his own words:

The Kaiser must be prosecuted. The War was a crime. Who doubts that? It was a frightful, a terrible crime. It was a crime in the way in which it was planned, in the deliberate wantonness with which it was provoked. Is no one responsible? Is no one to be called to account? Is there to be no punishment? Surely that is neither God's justice nor man's. The men responsible for this outrage on the human race must not be let off because their heads were crowned when they perpetrated the deed?

There were other matters, such as murder on the high seas and the abominable maltreatment of our prisoners; and the British Government will certainly use the whole of its influence in the Peace Conference to see that justice is executed.

After what has happened during the last four or five years it is quite impossible to entertain in our midst a population of which a considerable proportion has, to say the least, abused our hospitality. This has been demonstrated by evidence which it is impossible to ignore. They spied and they plotted; they assisted Germany in the forging of plans for the destruction of the country which had offered them hospitality; and, if opportunity had offered, they would have assisted in the execution of those plans to the ruin of the land which had given them shelter. They have therefore forfeited any claim to remain.

The Government have ready great schemes, necessarily involving a large expenditure of public money, for the purchase of land for soldiers who desire to earn a living in cultivation. There will be provision for ex-Service men in either small holdings, Cottage sites and garden holdings, or Allotments on lease, according to the choice which they make and the fitness which they show. Provision has been made for building houses; money has been set aside for the provision of equipment, for the cultivation of the land, and credit will be provided on easy terms for the stocking of the land.

There is one condition for the success of all efforts to increase the output of this country—confidence. Bolshevism is the poison of production; Russia proves that. Russia will not begin building up a productive system until Bolshevism has worked itself out. Meanwhile there will be great suffering and penury through the land, and all classes will suffer alike. You must give confidence to all classes, confidence to those who have brains, to those who have capital, and to those with hearts and hands to work. I say to Labour you shall have justice; you shall have fair treatment, a fair share of the amenities of life, and your children shall have equal opportunities with the children of the rich. To Capital I say: You shall not be plundered or penalised; do your duty by those who work for you, and the future is free for all the enterprise or audacity you can give us. But there must be an equal justice.

I will work hard for any scheme of profit-sharing which provides the workman with a real inducement to increase production. Therein lies our national salvation.

Other points and pledges concerned the building of houses to meet a current shortage of 400,000, Health conditions, Child welfare, Education, Rural development, Transportation and Electrical power. At Newcastle-on-Tyne (Nov. 29th) Mr. Lloyd George dealt with the Labour Party: "I object to the name. What does Labour mean? Labour means every man and woman who by their work, brains, nerve, muscle, contribute to the wealth and prosperity of the country. If the Labour Party represents the majority of these, then, no doubt at all, they would get in to-morrow by five or ten or twenty to one. They don't. They represent a section of Labour, merely a section of Labour. I object to the division of Labour. I object to saying men who work at certain tasks are Labour, and men who work at certain tasks are not Labour." He pointed out that Ramsay MacDonald and Phillip Snowden were not manual labourers and declared that: "The Labour Party is being run by the extreme pacifist, Bolshevist group. You find them 'rushing' all the conferences. What they (the advanced section) really believe in is Bolshevism." J. R. Clynes and Arthur Henderson took exception to the Premier's charges of Bolshevism. In the closing days of the Election the Conscription issue, as a matter of future world policy, was vigorously discussed. It began with Mr. Lloyd George's statement on Nov. 12th that: "A League of Nations guarantees peace and guarantees an all-round reduction of armaments, and that reduction of armaments is a guarantee that you can get rid of Conscription here. Of course, we must have in this country an efficient Army to police the Empire, but I am looking forward to a condition of things, with the existence of a League of Nations, under which Conscription will not be necessary in any country." After much controversy the Premier, on the eve of polling, declared that: "I wish to make it clear beyond all doubt that I stand for the abolition of conscript armies in all lands. Without that, as I said at Bristol, the Peace Conference would be a failure and a sham." A subject of which much was made by the Government was that of class taxation for War needs and the preference given to working-class income as illustrated in this table:

Income for the Year Beginning Apr. 5, 1918.		Income Tax for the Same Year including Super-Tax.		Amount from each Pound of Income.	Amount from each $5.00 of Income.
£.	$	£ s. d.	$	s. d.	$
130 or less	650	Nothing	Nothing	Nothing	Nothing
131	655	1 0 0	5.00	0 1¾	.03
150	750	3 7 6	16.80	0 5½	.11
200	1,000	9 0 0	45.00	0 10¾	.21
1,000	5,000	150 0 0	250.00	3 0	.72
2,000	10,000	450 0 0	2,250.00	4 6	1.08
3,000	15,000	962 10 0	4,812.40	6 6	3.00

It was impossible to feel certain about the result. There had been no election since 1910, or four years before the great catastrophe, when manhood suffrage was slightly discussed, woman suffrage appeared as a dream and the electorate totalled about 8,000,000. Now there were 21,000,000 voters and as many women to vote as there had been voters altogether a decade before. The Labour Party were making a strong appeal to every Socialist or discontented man and woman in the country; Lord Northcliffe and his press were not friendly to the Government; Lord R. Cecil had resigned on the Welsh Church question and J. R. Clynes on the Labour issue. On the other hand the Conservatives and Unionists stood by the Government as did many of its Labour members. Mr. Bonar Law signed a Coalition Manifesto with Lloyd George which urged national unity as the vital issue of the time, reiterated most of the Premier's plans and policies, declared it a first obligation "to explore all practicable paths toward a settlement of the Irish question" but proclaimed two paths as closed—the one leading to a complete severance of Ireland from the British Empire, and the other to the forcible submission of the six Counties of Ulster to a Home Rule Parliament against their will. The following reference to the Fiscal issue was important:

> The country will need all the food, all the raw materials, and all the credit which it can obtain, and fresh taxes ought not to be imposed on food or upon the raw materials of our industry. At the same time a Preference will be given to our Colonies upon existing duties and upon any duties which for our own purposes, may be subsequently imposed. It is the intention of the Government to preserve and sustain, where necessary, our key industries in the way which experience and examination may prove to be best adapted for the purpose.

The composition of the House which had been thrown into the melting-pot included 260 Liberals, 78 Irish Nationalists, 38 Labour representatives, 6 Sinn Feiners, 282 Unionists, 5 National Party and 1 Independent—a total of 670; in the new House there were to be 707 members. Sinn Fein workers in Ireland were hopeful, the Labour leaders expected to have 100 members and some hoped for a majority, the masses of war-worn but determined workers who had silently done so much, listened and thought and silently voted. The Premier made a special appeal to the women voters and hoped much from them. The final, abbreviated, semi-official platform which was offered to the country contained six points—Trial of the Kaiser; Punishment of those responsible for atrocities; Fullest indemnities from Germany; Britain for the British, socially and industrially; Rehabilitation of those broken in the War; A happier country for all. There were 600 contests and 107 members were returned by acclamation on Dec. 4th—of whom 69 were Government supporters; the total electorate in the United Kingdom was 21,371,612 and the total number voting was 10,761,195; the result showed a personal triumph for Lloyd George unequalled in the history of Britain with a Coalition total of 526. The Government supporters elected included 382 Unionists, 131 Liberals and 13

others; the Opposition included 33 Liberals, 63 Labourites, 7 Irish Nationalists, 73 Sinn Fein and 5 Independents or a total of 181. Many notable Liberals were defeated including, to the regret of almost everyone, Mr. Asquith himself; 125 other Liberal members of the late Parliament were defeated including Sir W. H. Dickenson J. M. Robertson, W. Runciman, Herbert Samuel, Sir John Simon, T. M. Wood; the Labour result showed a wholesale defeat of anti-war. Pacifist, pro-German and extreme Socialists with such leaders as Arthur Henderson, F. W. Jowett, Ramsay MacDonald and Phillip Snowden rejected by the people.

The Empire in 1918; Imperial War Cabinet and Conference. During 1918 the British Empire continued in active co-operation and unity of war-action amongst far-sundered countries. Taking the War as a whole, and including all the countries of the Empire in the calculation, there were, approximately, 8,500,000 British subjects under arms or who had been under arms—the very large majority by voluntary action; the construction of shipping to meet the Submarine menace and huge transport needs of the struggle totalled 4,340,000 tons; the value of Munitions made within the Empire by men and women who thus did a most substantial and essential war-work was at least 10,000 millions of dollars; the amount raised by Loans and taxation within the Empire was, approximately, 50,000 millions. All this was done by a Commonwealth of peoples essentially pacifist in feeling and faith and with little popular belief, five years before this time, that War was even possible. The United Kingdom had, of course, been the heart and head and backbone of the Empire in the War, but it had also shown its leadership by receiving the heartfelt support, the whole-handed and strong aid of the British Dominions and India. It had been, as Lord Curzon put it, the clothier, the feeder, the baker, the armourer and the universal provider of the Allies who had been financed by Great Britain to the extent of $16,000,000,000 and had been supplied with 100,000,000 tons of coal—a modern essential of war. The War by 1918 had welded the Empire into a new and unique form of union—at once Imperial and National, closely woven in sentiment yet very loose in form—speaking as one on the basic action of war, speaking as many in discussions of public policy.

The King: His Position, Character and Duties. Above all the storms of war and politics stood the King—who, by virtue of his office, was head of the Empire, chief of all parties and belonging to none, embodying the State in its unity and history and traditions, in its law and order, its institutions and stability of rule, in its instincts of loyalty and absolute necessity for one central figure of recognized authority. In his personality he was an unassuming, courteous, industrious and earnest exponent of all that was best in public life and social institutions. In days when the autocratic monarchs of many countries were being overthrown by unhappy, war-burdened peoples King George V stood apart as a people's King and

the representative of an ordered liberty. His Majesty's post was not and never had been a sinecure and the day's work of this period included distribution of Honours, parades and reviews, reception of troops and personages, audiences to all kinds of important people, constant conferences with Ministers, attention to an enormous correspondence, study and approval, or otherwise, of vital despatches, visits to all kinds of institutions or public undertakings. Naturally a good speaker but with obvious limitations in the exercise of his gift, the King's reply to an address from the Imperial War Conference on July 26th may be quoted as typical of many:

> You have met this year amid circumstances of anxiety, which, as you said in your Address, is unparalleled. Your presence here in this crisis in the history of the Empire has been a support and encouragement for us amid the manifold cares and anxieties of the present time. You have seen for yourselves the tasks lying before us both at the front and at home, have realized the difficulties and complexities of the problems that confront us, and have been brought into personal contact with the statesmen and military leaders of the nations fighting with us. I spoke last year of the magnificent contributions by all the overseas Dominions and India. Since then, increased dangers have beset us and caused an even more lavish outpouring of the resources of the Empire. The efforts you have put forth are a source of pride and comfort to me as they are a wonder to the whole world. The Empire is founded on a rock-unity which no storms can shake.

In the King's reply to an Address from the City of London he paid high tribute to the external Empire and the soldiers and sailors in the War and then added, as to the United Kingdom: "We may cherish well-founded hopes that in the furnace of war new links of understanding and sympathy are being forged between man and man, class and class, and we are coming to recognize, as never before, that we are all members of one community and that the welfare of each is dependent upon and inseparable from the welfare of all." Despite the unrest of this period there was but little of it directed against the Monarchy. The principle of limited monarchy was felt to be a good one, it was, as a matter of fact, absolutely essential to the working of British institutions in a British Empire, it was the pivot upon which turned the unity of far-flung countries. Yet so vast and varied were the storms and aftermath of the World War that no greater tribute could be paid to a man or an institution than the undisturbed maintenance of this institution through the events of 1918 and succeeding months. Many incidents at this time indicated the personal popularity of the King and Queen Mary at home and abroad; those associated with the Silver wedding celebrations of July 6th were many and interesting. The gifts received by the Queen on this occasion, for distribution amongst the wounded, numbered 595,000 and were from all parts of the Empire. Outside of England no finer tribute was paid to the King than that of the Rev. Dr. F. L. Patton, ex-President of Princeton University, speaking in Toronto on Dec. 12th: "He has a deep-rooted love of England, a beautiful personal home life, a minute and intimate knowledge of the country's affairs and a gracious attention to the sufferings of his people that place him

as a monarch without superior and with few equals since the Norman conquest."

During the year the King twice visited the Front and inspected and studied every branch of the Service; on Aug. 13th he wrote F. M. Sir Douglas Haig, reviewing what he had seen and concluding with the expressed conviction that "in union with those of the Allied nations we shall, with God's help, secure a victorious peace, worthy of the noble sacrifices made." On Nov. 28th, and succeeding days, after the victory had come, the King and Queen Mary were in Paris on a State visit and received a welcome from the people deeper and more real than the much-talked-of ovation to President Wilson a little later; in the American and Canadian press, however, it was very slightly noticed. To individual soldiers returning to their Overseas homes at the close of the War came a facsimile note dated at Buckingham Palace which said: "The Queen and I wish you God-speed, a safe return to the happiness and joy of home life with an early restoration of health. A grateful Mother-country thanks you for faithful services. George R. I." On Nov. 30th the King drove to Westminster to receive an Address from both Houses of Parliament and to make a "Victory Speech" which rang through the United Kingdom, though it received little attention in the press despatches to Canada. It was eloquent, historical, effective—the utterance of a statesman—and concluded as follows: "For centuries past Britain has led the world along the path of ordered freedom. Leadership should still be hers among the peoples who are seeking to follow that path. May good will and concord at home strengthen our influence for concord abroad. May the morning star of peace, which is now rising over a war-worn world be here and everywhere the herald of a better day."

During the War no man under 35 years was admitted into the Royal Households; the King and Queen accepted the ordinary rations of the Home Office regulations and adjusted everything to the simplest rules of living; contributions were given to every patriotic cause as, for instance, $50,000 to Red Cross funds and $390,000 to assist disabled officers and men to rebuild their lives; cables and letters went out continuously, to all parts of the Empire, as in the message to Sir Wilfrid and Lady Laurier in October, on the celebration of their Golden Wedding. St. James, Kensington and Buckingham Palaces were offered the Government for war purposes and the two former were utilized. Let the King's Peace Message to the Empire conclude this reference to his Imperial position:

> At the moment when the Armistice is signed, bringing, I trust, a final end to the hostilities which have convulsed the whole world for four years, I desire to send a message of greeting and heartfelt gratitude to my Overseas peoples, whose wonderful efforts and sacrifices have contributed so largely to secure the victory which is now won. Together we have borne this tremendous burden in the fight for justice and liberty. Together we can now rejoice at the realization of those great aims for which we entered the struggle. The whole Empire pledged its word not to sheath the sword until our end was achieved. That pledge is now redeemed. The outbreak of war

found the Empire one. I rejoice to think that the end of the struggle finds the Empire still more closely united by the common resolve, held firm through all vicissitudes, by the community of suffering and sacrifice, by the dangers and triumphs shared together.

Meantime the King's popularity was being supported by the public efforts and private qualities of the Royal family. The Prince of Wales, modest, unassuming, yet brave and active in soldierly work, took part in various campaigns, was always working or fighting in these strenuous years and won from the soldiers of the Empire, everywhere, evidences of respect and liking. He saw service in Egypt and during the early weeks of 1918 he was in England; he visited Wales, Cornwall, the Clyde, various hospitals and munition works; took his seat in the House of Lords and became a public figure in whom all were interested; he served for months on General Currie's hard-working Staff at the Front and visited Rome in May as an official representative of Great Britain; fought with New Zealand and other Dominion troops from time to time and entered Denain and Mons with the Canadians. Princess Mary came of age during this year and began to take the Queen's place at many functions and in varied duties while learning and working to be a trained nurse in a Children's Hospital; Prince Albert, after service in the Navy, took to the Royal Air Force and served in its Naval branch—making his first flight at the end of March. The King's uncle, the ever-popular Duke of Connaught, was much at the Front during the year, in the spring he inspected the troops in Palestine; Prince Arthur of Connaught visited Japan to hand the Emperor the baton of a Field Marshal in the British Army and toured Canada upon his return; Princess Patricia became Hon. Colonel-in-Chief of her famous Canadian regiment and received the King's assent to her marriage with Commander the Hon. Alexander Ramsay, R.N., D.S.O., brother to the Earl of Dalhousie.

Meeting of the Imperial War Cabinet in 1918. It was fitting, and indeed, necessary that the King's War Cabinet for the United Kingdom should have been expanded in 1917 and 1918 so as to include all the self-governing Dominions and the Empire of India. It had already been divided into (1) a Cabinet for domestic affairs and (2) a War Cabinet for the conduct of the multiform War issues of the time; the step in an Empire direction was obvious but more difficult and important than appeared on the surface. Obstacles were disposed of, however, the ever-ready Colonial fears as to autonomy were removed by the simplicity and value of the policy, practice proved it a most useful and effective method for co-operation amongst Empire statesmen. The only point of failure in the Imperial War Cabinet was in the lack of publicity given to its organization and proceedings in the press of the external Empire. The Cabinet meetings were, of course, confidential, but in the Americanized despatches to Canada its existence was largely submerged and identity lost in the concurrent proceedings of the Imperial Conference.

In 1918 its second Session was held at Downing Street, beginning on June 11th, with the British Prime Minister presiding. Great Britain was also represented by Mr. Bonar Law, Lord Curzon, Mr. Austen Chamberlain and Mr. G. N. Barnes; South Africa by General J. C. Smuts and Sir Henry Burton; Canada by Sir Robert Borden and Hon. N. W. Rowell; New Zealand by Rt. Hon. W. F. Massey, Prime Minister, and Sir J. G. Ward; Newfoundland by Rt. Hon. W. F. Lloyd. The representatives of Australia were Rt. Hon. W. M. Hughes and Sir Joseph Cook and of India H. H. the Maharajah of Patiala and Sir S. P. (afterwards Lord) Sinha though they did not arrive in time for the first meeting. The attendance was more representative than in 1917—Australia having been plunged in a political crisis at that time. Following its first meeting Sessions were held constantly for over two months; every kind of question associated with co-operation in war action was discussed and all available information as to the progress of the great struggle and the policy of the Imperial Government was accorded and dealt with. As Sir Robert Borden put it in an address on June 21st: "We meet on terms of perfect equality. If I might describe it I should say it is a Cabinet of Governments represented by Ministers responsible to their own Governments—the conclusions of the Cabinet to be carried out by the Parliaments of the Empire. Each nation retains its perfect autonomy, and I venture to express the hope, as I did last year, that there will be found in it the germ of a constitutional development which will form the basis of Empire unity in years to come."

The importance and constitutional character of the meetings were not fully understood in Canada. The London *Times* in describing the initial session of the year said: "The Imperial War Cabinet, while it is in session in London, is the supreme executive authority for the Empire, and the rule which is laid down by tradition for the secrecy of the proceedings of the British Cabinet is properly and indeed, necessarily, followed in its case." But, that journal added: "It cannot be too clearly understood that the Imperial War Cabinet has full executive authority in all matters which are directly or indirectly connected with the war." As to this and other points F. A. McKenzie, a talented and reliable press correspondent, cabled the following review of the new institution on July 26th to Canadian journals:

> While the proceedings of the War Cabinet were secret, we know from Mr. Lloyd George's public statement that the Dominion representatives helped to discuss and consider our Peace terms—settling the main principles. It is common knowledge that the Dominion Premiers helped to reconsider and re-settle the entire foundation with leading representatives of our Allies. They established, re-shaped, re-built, unitedly, the foundations upon which the Allied conduct of the War will be waged. Their presence has been regarded by the British Cabinet with appreciation and gratitude. Mr. Lloyd George has repeatedly given expression to this feeling. They have strengthened his hands and brought fresh points of view. They have acted not alone as mere listeners, but as active, responsible colleagues, discussing, debating and arriving

at a verdict of common minds. They have evidently arrived at completely harmonious decisions. They virtually established recognition of the principle that Dominions sharing the common burden shall share the common direction of the Empire's war policy.

Mr. Lloyd George, Sir Robert Borden and most of the other Delegates looked to a continuance of the Imperial Cabinet idea; as to its functions Sir Robert on July 30th pointed out that they dealt with matters of "common Imperial concern" while the British War Cabinet dealt with war matters local to the United Kingdom: "The new system should combine, securely, the great essentials of Dominion or National autonomy with Imperial unity and security." On July 30th an important step was taken toward increasing the efficiency of the plan by a Resolution of the Imperial War Cabinet which stated that: "I. The Prime Ministers of the Dominions, as members of the Imperial War Cabinet, have the right of direct communication with the Prime Minister of the United Kingdom, and *vice versa*—(*a*) such communications should be confined to questions of Cabinet importance. The Prime Ministers themselves are the judges of such questions; (*b*) Telegraphic communications between the Prime Ministers, should, as a rule, be conducted through the Colonial Office machinery but this will not exclude the adoption of more direct means of communication in exceptional circumstances. II. In order to secure continuity in the work of the Imperial War Cabinet and a permanent means of consultation during the War on the more important questions of common interest, the Prime Minister of each Dominion has the right to nominate a Cabinet Minister, either as a resident or visitor in London, to represent him at meetings of the Imperial War Cabinet to be held regularly between the plenary sessions." In the New Zealand Parliament on Nov. 6th, following, Mr. Massey stated that he had no doubt the Dominions would appoint such Ministers and both he and Sir Joseph Ward asserted that New Zealand would take such action. Australian opinion was favourable but did not approve of having both a High Commissioner and a Cabinet Minister in London—unless the duties could be combined. Meanwhile, these Cabinet discussions had developed along lines of a future Peace as well as of current hostilities and the representatives of the Dominions dealt with possible terms and issues in this respect. Mr. Lloyd George indicated this and other facts in a speech to the visiting Canadian Editors on July 15th when he said:

> This is a war in which we engaged the Empire, at a moment when we had no time to consult the Dominions as to policy and it is perfectly true that the policy which we adopted to protect small nations in Europe was a policy embarked upon without consultation with the Dominions. But you approved it. Henceforth you have the right to be consulted as to the policy beforehand, and this is the change which has been affected as a result of the War; for that reason an Imperial War Cabinet is a reality. Another point in which you have a voice is the settlement of the conditions of peace. We have discussed war aims and the conditions under which we are prepared to make

peace at the War Cabinet. We arrived at an agreement on the subject last year with the representatives of the Dominions and we shall reconsider the same problems in the light of events which have occured since. Canada and Australia and New Zealand, yes, and Newfoundland, they have all contributed their share of sacrifice and they are entitled to an equal voice with the representatives of these Islands in determining the conditions under which we are prepared to make peace.

A very important matter which was included in these discussions was the British Government's intention to denounce all Commercial treaties containing the most-favoured-nation clause so as to leave the United Kingdom free to meet new conditions, and adjust tariffs and treaties to suit after-war relations with the Empire and the Allies. In November, after an interval at home, Sir Robert Borden was again in London attending the third Session of the Imperial War Cabinet. With him were other Dominion Ministers —Sir G. E. Foster, Hon. A. L. Sifton and Hon. C. J. Doherty— who accompanied him to meetings, under the panel system, as he might select, or as their special interests were under consideration. For the other Dominions and India the representation was practically the same as in June-July. As before, the Cabinet was divided into Committees and one of the most important was that dealing with the League of Nations. It had been appointed earlier in the year with Lord Robert Cecil as Chairman and Sir R. Borden and Mr. Doherty amongst its membership; more practical work was said to have been done by this Committee and in London, generally, as to this question than in any other capital. For the rest Sir Robert Borden had stated at Ottawa on Aug. 24th that:

Nearly all the conclusions reached in the Imperial War Cabinet were of a confidential or secret nature, and therefore cannot be made public. They had a very intimate relation to the conduct of the War in the various theatres. Unity of action, further preparation, co-operation in the utilization of resources, the most effective employment of striking power, whether on land, at sea or in the air—these and many other cognate subjects were under most close and prolonged consideration from first to last, with the assistance or advice of the highest experts. Conclusions of great moment were reached, and before the close of the present year further important decisions must necessarily be taken. Several of these subjects were specially considered by a Committee of the Imperial War Cabinet, consisting of the Prime Ministers of the United Kingdom and of the Dominions, together with General Smuts, representing the Prime Minister of South Africa, and Lord Milner, as Secretary of State for War, was also a member. The deliberations of this Committee continued up to the moment of my departure, and even then had not been absolutely concluded.

The 2nd Meeting of the Imperial War Conference. Meantime the Imperial War Conference had been in Session during June and July. It first met on June 12th with Delegates in attendance who included those of the Imperial War Cabinet with others as follows: Canada—Hon. Arthur Meighen, Hon. C. C. Ballantyne, General S. C. Mewburn and Sir A. E. Kemp; Great Britain, Lord Milner, Rt. Hon. A. J. Balfour, Sir Eric Geddes, Rt. Hon. Walter Long and Rt. Hon. E. S. Montagu. A loyal Address was passed for presenta-

tion to the King on motion of Sir R. Borden and Mr. Massey at the second meeting of the Conference (June 17th) and, after a formal welcome had been extended by the Colonial Secretary (Mr. Long), a reply was read with the following conclusion: "The Conference has met in circumstances of unparalleled gravity and is a proof and manifestation of the unity of the Empire in its determination to uphold the common rights and liberties of mankind. The King will follow its deliberations with keen interest, and he trusts that these deliberations may lead to an ever closer association of all parts of his Empire in their resolve to defeat the common enemy and to build up an Empire more free, more united, more strong, for the future." Upon this occasion the proceedings of the Conference were somewhat overshadowed by tremendous War events and by the greater practical importance of the Imperial War Cabinet. As a matter of fact, however, its work was of the greatest possible value. During its sittings the Conference passed Resolutions along the following lines:

1. Recommending the Governments of the Empire to adopt effective measures to free all the countries of the Empire from dependence on German-controlled organizations in respect to non-ferous metals and ores and endorsing the United Kingdom Act in that connection.

2. Declaring that these Governments should also make arrangements amongst themselves which would ensure that essential raw materials produced within the Empire be available for war purposes and after-war reconstruction and industrial needs.

3. Recommending appointment of an Empire Committee to study the question of raw materials and consultation by the Governments concerned with local producers and trades.

4. Appreciating the work of the Imperial War Graves Commission and urging that the cost of carrying out its decisions be borne by the respective Governments in proportion to the number of graves of their dead.

5. Favouring the establishment of an Imperial Bureau of Mycology to supplement the work of the Imperial Bureau of Entomology—the cost to be borne by the various Empire Governments *pro rata*.

6. Approving the holding of an after-war Conference of Statisticians with a view to establishment of an Imperial Statistical Bureau.

7. Recommending the various Empire Governments to co-operate with that of the United Kingdom in freeing industry from dependence on German dyes and promoting a dye industry in the British Empire.

8. Accepting in principle the establishment of an Imperial Investigation Board to deal with the question of shipping and Ports and Harbours and the best means of promoting Imperial inter-commercialism.

9. Declaring in favour of an improvement in facilities for Inter-Imperial Parcels delivery which should be enlarged and co-ordinated.

10. Approving arrangements by which British Emigrants should be encouraged to settle within the Empire and suggesting appointment of a Consultative Committee, with Dominion delegates, to advise United Kingdom Boards in this connection.

11. Urging the material reduction of Cable rates within the Empire and co-operation of the Governments in providing a State-owned Cable across the Atlantic.

12. Suggesting an improved system of Communication between the Governments of the Empire and the United Kingdom.

13. Agreeing to the formation of a Military Demobilization Committee of the British Empire to consist (a) of representatives of all the Military auth-

orities of the Dominions and the United Kingdom; to (b) consider all military questions of demobilization, to make decisions in matters of detail, to submit questions of principle to the Governments concerned and to obtain full interchange of information; to (c) secure complete mutual co-ordination of procedure.

14. Declaring (with Canada abstaining from voting and South Africa in dissent) that legislation should be passed throughout the Empire in restricting as far as possible the naturalization of enemy aliens or their acquisition of land or mining privileges for a time after the War.

15. Recognizing again the desirability and importance of security and uniformity of policy and action throughout the Empire with regard to Naturalization and suggesting that a special Conference be held at an early date to deal with the subject.

16. Declaring that the formation of an Imperial Court of Appeal should receive immediate attention from His Majesty's Government; that the Lord Chancellor be asked to prepare and circulate to the Governments of the Empire official proposals along this line; that each Government should communicate its opinion to that of the United Kingdom.

17. Declaring that India should be entitled to full reciprocity with the Dominions of the Empire in respect to regulations regarding (a) the admission of visitors, temporary residents or emigrants and (b) the enactment of laws restricting British citizens from other parts of the Empire; asserting that Indians already permanently domiciled in other British countries should be allowed to bring in their wives and minor children on condition (a) that no more than one wife and her children shall be admitted for each such Indian, and (b) that each individual so admitted shall be certified by the Government of India as being the lawful wife or child of such Indian.

18. Declaring that it would promote conciliation and industrial well-being if shipping on the chief routes should be brought under review of an Inter-Imperial Board.

The Dominions and the Captured German Colonies. The retention or otherwise of these Colonies after Peace should come was a matter of much Empire discussion during the year. Opinion in Canada was not officially formulated and Sir Robert Borden took no public position upon the question abroad; but the press took the ground, when comment was made, that the natives and colonies would be better off under British rule and that the claims of Australia and South Africa deserved attention although Great Britain would naturally have no desire to enlarge her already enormous territory and responsibilities. The Toronto *Globe* of Jan. 18th declared it necessary to the peace of the Empire to keep Germany out of the Pacific or Africa; on the other hand a group of papers owned by W. F. Herman at Saskatoon, Regina and Windsor urged Canada's refusal to sign any Peace treaty which should take these Colonies away from Germany and thereby "destroy the economic life" of that country! British public opinion was largely influenced by the undoubted proofs of German cruelty, oppression and barbarism in East Africa, by the danger of a great black army being formed in Africa under German officers if the Colonies were returned, by the utterly crude and brutal administration of German Government in all these countries and by the obvious menace which such Colonies and Islands would constitute in the future as nests for Submarines and as bases for hostilities against the Empire.

The general feeling was that whatever else might be done the

Colonies could never be returned to Germany. The Inter-Allied Socialist Conference in London during February declared for a system of control established by international agreement under a League of Nations and maintained by its guarantee. A. J. Balfour, British Foreign Secretary, represented a wide sentiment when he said on Aug. 3rd: "I object to giving back to Germany at the end of the War an instrument so powerful for evil as a great colonial empire would be in German hands. No more potent instrument for disturbing the peace of the world or increasing the miseries of humanity could be conceived." On Oct. 23rd Mr. Balfour declared that "in no circumstances is it consistent with the safety, the security, the unity of the British Empire, that the German colonies should be returned to Germany." Winston Churchill at Dundee on Nov. 26th added the conquered Turkish territories to the areas which could never be returned to their former rulers. The actual Colonies were as follows:

Date of Capture.	Colony.	Area sq. m.	Population.
Aug. 25, 1914	Togoland	33,700	1,032,000
Aug. 29, 1914	Samoa	1,000	34,680
Sept. 11, 1914	Bismarck Archipelago	22,640	188,000
Sept. 24, 1914	German New Guinea	70,050	301,700
Nov. 7, 1914	Kiao-chau	200	168,900
July 9, 1915	German S. W. Africa	322,450	79,556
Feb. 18, 1916	Cameroons	191,130	2,643,720
Dec. 1, 1917	German East Africa	384,180	7,645,770
Total		1,025,350	12,094,326

In Australia the feeling upon this subject was vigourous and wide-spread; the attitude of Mr. Premier Hughes in England at the War Conference and in speeches in the United States as well as England was characteristically vehement. It was pointed out that German New Guinea bordered for many hundreds of miles upon the Australian part of the Island and could, also, constitute a dangerous naval and aerial base against the Commonwealth. Chief Justice Sir Wm. Cullen of New South Wales declared on Jan. 24th that New Guinea mines, oil-fields, or borders could at any time be made a basis for quarrel and that Australia could not comfortably contemplate such a permanent possibility. The old-time protests of 1883 against the German claims in New Guinea were revived; in New York on May 31st Mr. Hughes went further and demanded a new Monroe Doctrine: "If we are to continue free we must have guarantees against enemy agressions in the future, and this involves an Australian Monroe doctrine in the South Pacific. 'Hands off the Pacific' is the doctrine to which by inexorable circumstances we are committed against all predatory nations. We will strive to give this doctrine effect to the last ounce of effort at our disposal."

In London on June 16th he amplified these views and pointed out that along the northern and eastern shores of Australia, guarding or menacing its coasts, as held by friend or foe, were three

belts of islands. Of these islands there were hundreds—many of them suitable for coaling stations or submarine bases: "The territorial integrity of Australia can only be secured either by Australian control of these islands, or by their being placed in the hands of friendly and trustworthy nations." On Oct. 21st he was even more emphatic: "When the day comes that peace is declared, as we have fought for Britain and the Allies to secure liberty and safety, so we expect that Britain and the Allies will stand by Australia in all things necessary to ensure her safety." To that end the retention of the German Colonies was essential. Resolutions were passed by both Houses of the Australian Parliament against any return of the Colonies to Germany and in favour of Australia being consulted as to their ultimate disposal. W. A. Watt, acting Prime Minister, expressed (Nov. 17th) himself strongly in the debate and opposed any International control of the Islands. State Legislatures such as that of Western Australia and public bodies like the Melbourne and Newcastle Chambers of Com merce expressed similar views as did the Sydney *Herald,* the Bendigo *Advertiser* and the Melbourne *Argus.*

New Zealand was equally explicit in its opinions. Mr. Premier Massey declared at Wellington on Feb. 7th that to allow Germany to re-possess Samoa would be a national calamity for British interests in the Pacific; on Mch. 8th he described this Island as the Key to the South Pacific and the possible headquarters of a future German fleet. Speaking in London on July 16th Sir J. G. Ward, Finance Minister of New Zealand, declared that, under no circumstances, must Samoa, New Guinea and the Marshall Islands revert to Germany: "Should such a calamity befall us the majority of our people would feel inclined to despair of the Mother Country and the bonds of Empire would be brought to a straining point." Mr. Massey spoke in similar terms on Nov. 28th to a New Zealand Chambers of Commerce Conference: "What would it mean if German Samoa were given back to Germany? It would mean that Samoa would become again the headquarters of the German fleet in the Pacific, as it was before the War; the establishment there of a great wireless station which would be able to speak to countries all over the Pacific; the organization there of a fleet of Submarines."

As to South Africa the feeling was even more natural and determined. The people there fully understood German Government of dependencies; they knew much as to the barbarous murder of 200,000 almost unresisting Herreros in the so-called rebellion of 1905 and realized fully the brutal slavery in which all natives were kept who would not join the enforced but easy life of the Army; they were familiar, as was the Reichstag at Berlin, with the abominable and almost indescribable cruelties of German officials such as Karl Peters, Von Puttkamer, Von Arenberg, Major Dominik; they understood why in ten years there were 21 punitive German expeditions against so-called German Colonies and what a trail of blood and cruelty each of these expeditions left behind.

They fully realized that Germans re-installed in East and West Africa would mean the organization of a German hostile power which they would have to meet in future years. The Mittel-Afrika scheme, with its great German empire across the centre of Africa and its large army of trained blacks was to them, as to General Smuts in his British speeches, no idle dream; the veteran Prussian publicist, Dr. Hans Delbrück, put this very clearly upon more than one occasion.

Such a German Empire seemed, indeed, quite possible in 1914 and Oncken, Kolbe, Lentwin, Von Rechenberg, Zimmermann and other writers, or public men besides Delbrück, kept the public well informed as to their glorious future in Africa. Fortified naval bases, a huge black army and native armament factories, were elements in the policy. It was not colonization as Herr Solf afterwards claimed; in 1907-11 the German emigration to Africa totalled 130 and in all the African Colonies, with their area of 1,000,000 square miles and 12 millions of people, there were only about 30,000 German settlers when the War broke out. Speaking in London on Jan. 28th, General J. C. Smuts claimed that Germany's ambition was for a great east and central African empire, embracing the colonies held by the British, Belgians, French and Portuguese lying south of Lake Chad and north of the Zambesi River. This territory, General Smuts declared, was intended to supply raw materials for the German Empire but was mainly for raising a great African army to carry out the German scheme of world conquest. South African political leaders such as General Botha, Prime Minister, Hon. Henry Burton, Minister of Finance, Sir Thomas Smartt of the Opposition, expressed vigourous antagonism to any return of East or West Africa to the Germans. During the year, mass meetings were held at Cape Town, Johannesburg, Kimberley, Port Elizabeth and many other centres which urged the retention of these Colonies by the Allies. The Boers were not active in the matter as a whole, but, outside of inveterate rebels and separatists, were not opposed to the incorporation of these territories in the Union of South Africa itself—which was the most really popular line of action.

Empire Newspaper-men in England and France. The visit of Empire Press representatives to Great Britain and the war-front in 1918 was, primarily, the project of Lord Beaverbrook as Minister of Information and of Major-Gen. A. D. McRae, recently Canadian Quartermaster-General in England who was then the Minister's chief assistant. The plan was for newspaper men from all parts of the Empire to see at firsthand something of the war-efforts of the United Kingdom and something, too, of the tremendous struggle in France; to obtain a real and personal touch with the living fact of warfare on land and sea and in the air, and to realize life within sound of the enemy's guns. Besides the Conference with leading British journalists which was to be held and a visit to the Western front, visits were arranged to the Grand Fleet, the greater munition works and military camps in England, the centres of the

Royal Air Force. Invitations were extended by the Minister in person and the following gentlemen accepted from Canada:

C. F. Crandall	Montreal *Star.*
Norman Smith	Ottawa *Journal.*
M. R. Jennings	Edmonton *Journal.*
J. S. Douglas	Toronto *Mail and Empire.*
W. A. Buchanan, M.P.	Lethbridge *Herald.*
W. C. Nichol	Vancouver *Province.*
J. H. Woods	Calgary *Herald.*
W. F. Kerr	Regina *Leader.*
E. H. Macklin	Winnipeg *Free Press.*
R. L. Richardson, M.P.	Winnipeg *Tribune.*
Alfred Miller	London *Free Press.*
P. J. Southam	Hamilton *Spectator.*
Hon. Smeaton White	Montreal *Gazette.*
Fernand Rinfret	*Le Canada,* Montreal.
Charles Robillard	*La Patrie,* Montreal.
Oswald Mayrand	*La Presse,* Montreal.
A. Savard	*Le Soleil,* Quebec.
Noel Chassé	*L'Evenement,* Quebec.
Hon. Frank Carrel	Quebec *Telegraph.*
Arthur Penny	Quebec *Chronicle.*
W. R. Givens	Kingston *Standard.*
J. L. Stewart	Chatham (N.B.) *World.*
F. D. L. Smith	Toronto *News.*
John Weld	*Farmers' Advocate,* London.
W. R. McCurdy	Halifax *Herald.*
J. F. B. Livesay	Winnipeg (Secretary).

Lord Atholstan of the Montreal *Star* was unable to attend and *The Globe* and *The Star* of Toronto, *The Chronicle* of Halifax, the Victoria, B.C., papers and *Le Devoir* of Montreal sent no representatives. Prominent journalists, newspaper proprietors and editors from other parts of the Empire arrived later in the summer and included the following from Australia: Sir William Snowden, Adelaide *Register;* Messrs. J. O. Fairfax, Sydney *Morning Herald;* H. Campbell Jones, *Sydney Sun;* S. H. Prior, Sydney *Bulletin:* J. J. Knight, Brisbane *Courier;* G. Syme, Melbourne *Age;* A. C. Mackintosh, Melbourne *Argus;* A. Carson, *West Australian;* W. H. Simmonds, Hobart *Mercury;* J. T. W. Heaney; F. Ansley, M.P., *Labour Call;* Major W. A. Whitehead. New Zealand and South Africa sent G. Fenwick, Otago *Daily Times;* W. J. Geddes, M.L.C., N. Z. *Times;* F. Pironi, Fielding *Star;* C. W. Earle, *Dominion,* Wellington; R. M. Hacket, N. Z. *Herald;* M. L. Reading, Lyttleton *Times;* Ward Jackson, Rand *Daily Mail;* G. A. L. Green, Cape *Argus;* David Pollick, Natal *Advertiser;* T. W. Mackenzie, *The Friend, Bloemfontein;* R. H. Douglas, Rhodesia *Herald;* and Dr. F. V. Englenburg, *Volkstem,* Pretoria.

The Canadians arrived in England on July 10th and their experiences in the main were those of the Delegates from other Dominions. Only a few of the British functions in their honour can be mentioned but they included an official reception by Lord Beaverbrook and a luncheon at the Savoy Hotel on July 12th to discuss proposals for a better News service in the Canadian press; attendance at a Lord Mayor's dinner to Sir R. Borden and the Overseas Ministers in London; a dinner given by Lord Beaverbrook

to meet Mr. Lloyd George and other prominent men; a Sunday visit to the Minister of Information's home at Cherkley, Surrey; an inspection of Woolwich Arsenal, and visits to various Canadian Military camps; the presentation of three Canadian journalists to the King, by command, at Lords on July 13th—J. H. Woods, W. C. Nichol and Oswald Mayrand; visit to various Departments of the British War Government; a luncheon by Sir Edward Kemp at Witley Camp to meet Canadian officers, with Fernand Rinfret of Montreal and Norman Smith of Ottawa as the chief speakers.

Lord Beaverbrook was a central figure in these arrangements and his pleasant, able personality made an obvious impression upon the Delegates. The speeches at the various functions provided food for thought. C. F. Crandall, for instance, at a press luncheon in London declared that: "We ought to do more and must do more to encourage the exchange of ideas and information between the various corners of the Seven Seas. We must make the man in Melbourne better acquainted with the man in Montreal and both better acquainted with the man in London—what each does, how he works, his ideas, his dreams; and London should be the great clearing-house of Imperial ideas and thought." On July 13th at a dinner addressed by Mr. Lloyd George, the Premier made a great impression upon the visitors and in his speech referred to the power of newspapers in time of war: "They can strengthen the resolve of the nation, they can unite, they can divide, they can distract, they can consolidate. Let them unite, let them consolidate, let them strengthen, let them use their power to give increased might and strength to the arms of their country." J. H. Woods, Chairman of the Delegation, who spoke for the press, made a marked impression on his audience by an eloquent, impressive tribute to what Britain had done and to the British quiet, yet determined, war spirit. Sir Robert Borden and General Sir Richard Turner also spoke on this occasion.

On July 16th a Press Conference opened with some representatives present from the United Kingdom and other Dominions and Lord Burnham, Sir George Riddell, Percy Hurd and Robert Donald as the chief British members. The vital topic of discussion was the question of an improved Empire news service and the scheme which Lord Beaverbrook was formulating at the instance of the Imperial War Conference. It became clear, almost at once, that the restrictions of Censorship and war-time had affected the minds of nearly all those present, had aroused hostility to what someone termed the "barbed wire entanglements" of the British Government in this connection and had emphasized the instinctive desire for freedom of the press to secure and manage its own news without Government interference. As Mr. Donald put it, with the assent of all present, including Sir Roderick Jones of the Ministry of Information: "A free Press is the sheet anchor of our liberties. We went into this war with a clean and independent Press; let us guard that precious possession."

A Resolution was adopted unanimously welcoming "better, quicker, and cheaper facilities for the dissemination of news throughout the Empire from British sources," and declaring that "such co-operation as the Government may give should be limited to assisting in the provision of facilities." The general nature of a tentative British plan was a British press and cable agency instead of an American one as now, organized with the British newspapers represented by their recognized organization, the Newspaper Proprietors Association and, on the other hand, by an independent Press organization in each Dominion. Mr. Donald of *The London Chronicle* put the views of the Conference in words which supplemented its Resolution: "Let the Government assist us with improved cable facilities, let it reduce cable and wireless rates to the minimum; let it do so by subsidy, if it likes, from public money, but let it leave the collection, supply, distribution of news to the resource and enterprise of individual newspapers and agencies." Sir Roderick Jones, Lord Burnham and others declared that there was not the slightest idea of Government interference with an Imperial Press Agency; it only wanted to assist and support the project.

The visit to the Front began by arrival in Paris on July 17th where the Canadians met fellow-journalists of a pre-war time in Maj.-Gen. Sir David Watson, K.C.B., Editor of the Quebec *Chronicle* in 1914; Brig.-Gen. E. W. B. Morrison, C.B., C.M.G., D.S.O., of the Ottawa *Citizen;* Brig.-Gen. V. W. Odlum, C.M.G., D.S.O., of the Vancouver *World;* Major Henri Chassé of Quebec *L'Evenement* and Major Olivar Asselin of Montreal *Le Devoir.* They were received at British Headquarters by F. M. Sir Douglas Haig and at those of Canada by General Currie; they visited Vimy Ridge, toured the Forestry, Railway Construction and other camps, saw something of the Hospitals, and were welcomed at the French and American battlefronts. They were presented to the French President and Premier and explored the Front from Ypres to Verdun. On July 31st the Editors were back in London and on Aug. 3rd were received by the King, Queen Mary and Princess Mary at Buckingham Palace—His Majesty speaking in French to the journalists from Quebec. Visits to Edinburgh, Glasgow and other centres of war production (shipyards, munition factories and explosive works) followed and in one night they passed through hundreds of miles of towns, where night was turned into day by the rush of war-work. The glare of blast furnaces illuminated the sky, and lighted factories and foundries stood out in the blackness. A visit to some Canadian hospitals followed and then they were privileged to see the Grand Fleet. W. C. Nichol summed this period up as follows (Aug. 13th): "We have seen that which we came to see—the heart and soul of Britain's war efforts. No such effort has or could have been made through all the gaunt ages of the storied past. It is unlikely that any such effort will ever be made again in the ages yet to come." In succeeding days F. D. L. Smith, E. H. Macklin, W. J. Southam, M. R. Jennings, and others flew over London in aero-

planes; the guests were dined by Lord Burnham and lunched by Lord Northcliffe and given a farewell dinner by Lord Beaverbrook.

The address of Lord Northcliffe on Aug. 16th was made to a gathering which included Australian and New Zealand editors, and representatives in London of the American and Allied press, and involved a strong denunciation of the Censorship and its attitude toward the publication of news. Shortly after this the Canadian journalists returned to their homes and a part of their press contained interviews—all eulogistic of Britain's wonderful war-effort and of the sights they had seen and courtesies they had received. The best contributions on the subject were the series of articles in the Toronto *Daily News* by F. D. L. Smith and in the Halifax *Herald* by W. R. McCurdy. Following the Canadians' departure the Australian and New Zealand and South African representatives, who had just reached England, went through similar experiences. At a Conference on Aug. 30th a News Service Resolution was passed similar to that of the Canadians and urging the formation of an Empire Press Union, in order to secure better, cheaper and quicker facilities for the dissemination of news throughout the Empire. Whatever co-operation the Government gave should be limited, it was added, to the providing of better facilities. An invitation was presented by the Australian Government to British, Canadian and other Overseas editors to visit the Commonwealth during the first year after the War. A visit to the Western front followed and then a series of experiences in Great Britain of a useful and interesting nature. In Canada, on Sept. 25th, J. H. Woods told the Calgary Canadian Club that Great Britain in 1917 had spent $5,000,000 in propaganda but in 1918 had decided that, so far as the Empire was concerned, the best publicity for the Motherland was through its Press. Hence the invitations and the visit.

The Irish Convention; The Sinn Feiners and Irish Conditions

Ireland was never so prosperous and never so discontented as in 1918; never so near the establishment of a Parliament in Dublin and never so indifferent to the realization of its past dreams; never so anxious to revolt and yet never so far from having the means or power to do so; never so much in need of conciliation and never further from realising the principle or finding the leader who could unite its factions or ameliorate their antagonisms. The Protestant or Ulster minority in Ireland and a great majority of the English in England agreed and saw alike in racial, religious, economic and minor matters; three-quarters of the Irish people and a small English minority in England appeared to agree. The British Government could apparently do nothing constructive in Ireland without fighting the majority in England or the majority in Ireland.

It tried to do something through the Irish themselves and appointed an Irish Convention with a free hand—short of separation from the United Kingdom—to make its own constitution, create

its own Parliament, construct its own system of administration; but the members could not agree and divided again on the old lines. Neither the Home Rule majority nor the Sinn Fein party which, in 1918, took its place, would accept Home Rule without Ulster; they would not admit of coercion or government by a United Kingdom majority but demanded the right to coerce an Ulster minority; they demanded self-government and self-determination for themselves but would not grant those principles to Ulster. The latter section was equally obstinate and self-centred but it was loyal to British connection and, whatever the Home Rule party of the past may have been, the Sinn Feiners of 1918 certainly were not loyal to anything British.

The Irish Convention of 1917-18. Created in 1917 by the Lloyd George Government to try and find some course which would be agreeable to a majority of the Irish people; composed of all parties—except the republican Sinn Feiners who declined representation—from all sections of the country; with Catholic and Anglican Bishops sitting beside Presbyterians from the North, much was hoped from the deliberations of the Convention. Taken as a whole and despite the secrecy of its proceedings, opinions became fairly well known to be divided as follows: (1) a moderate group, largely from the south and west, who were inclined to Federal views and the creation of a federated United Kingdom to include Ireland; (2) the Ulster group which stood for things as they were in relation to Great Britain or, at most, for the exclusion of six Ulster counties from any Home Rule constitution; (3) the extreme Nationalists who wanted a Dominion status and powers which, under Sinn Fein control, might have meant separation. So the discussions proceeded* until January 1918, when it was found that anything like a united decision was hopeless; a series of meetings followed with representatives of the British Cabinet in a broad effort to find some basis for agreement; finally, on Feb. 25th Mr. Lloyd George wrote to the Chairman, Sir Horace Plunkett, a letter which formed the basis of the subsequent majority Report. After promising immediate Government action and legislation upon the presentation of any solution, or settlement of the situation, by the mutual agreement of all Parties in the Convention, the Premier dealt with the question of Customs and taxes, which had proved the crucial issue, and then proceeded:

1. The Government are aware of the serious objections which can be raised against the transfer of these services to an Irish Legislature. It would be practically impossible to make such a disturbance of the fiscal and financial relations of Great Britain and Ireland in the midst of a great war. It might, also, be incompatible with that Federal re-organisation of the United Kingdom in favour of which there is a growing body of opinion. On the other hand, the Government recognise the strong claim that can be made that an Irish Legislature should have some control over indirect taxation as the only form of taxation which touches the great majority of the people, and which in the past has represented the greater part of Irish revenue.

*Note.—For members of the Convention, etc., see *The Canadian Annual Review* for 1917.

2. They understand, further, that it has been suggested that a safeguard of Ulster interests might be secured by the provision of an Ulster Committee within the Irish Parliament, with power to modify, and if necessary to exclude, the application to Ulster of certain measures, either of legislation or administration, which are not consonant with the interests of Ulster. This appears to be a workable expedient, whereby special consideration of Ulster conditions can be secured and the objections to a single Legislature for Ireland overcome.

The letter had much influence and enabled the main Report to be completed by April 5—the divisions on crucial points having majorities of 34 to 38. Nineteen Unionists from Ulster submitted one Minority report; the Nationalist members presented another. The Majority document was approved by practically all the Nationalists—except as to the Customs issue; by the Southern Unionists and by five out of seven of the Labour delegates. The vote on the adoption of the Report as a whole stood 44 to 29, the majority including the Archbishop and Lord Mayor of Dublin, Lord Midleton, the Provost of Trinity College, the Earls of Granard and Desart; the minority included the Duke of Abercorn and Lord Londonderry, the Catholic Archbishop of Cashel and the Bishops of Down and Connor, and Raphoe, the Home Rule Mayor of Cork and the Unionist Lord Mayor of Belfast. In presenting the Report to the Government on Apr. 8 Sir H. Plunkett described it as embodying a larger measure of agreement amongst Irish parties than had previously been obtained. The plan in its main outlines may be summarized as follows:

1. *Irish Parliament.* A Senate of 64 members, including Archbishops, Lord Mayors, representative Peers, and representatives of commerce and industry, labour and local government bodies. A House of Commons of 160 ordinary, elected, members (elected in the case of three-member constituencies on the principle of proportional representation), 20 additional members elected by Ulster constituencies, and 20 members nominated by the Lord Lieutenant to represent Southern Unionists—40 per cent. of the total membership to be guaranteed to Unionists. Nominated members of the House of Commons to disappear after 15 years, but Ulster's extra representation to continue until abolished by a three-fourths majority of both Houses in joint session. 42 Irish representatives at Westminster to be elected by members of the Irish House of Commons according to Provinces and on the principle of proportional representation; the Westminster representatives to have the right of deliberating and voting on all matters.

2. *Irish Government.* Executive power to continue vested in the King, but exercisable through the Lord Lieutenant on the advice of an Irish Executive Committee. The supreme power and authority of the Parliament of the United Kingdom to remain undiminished. The Irish Parliament not to legislate on the Crown, peace and war, the Army and Navy, treaties and foreign relations, dignities and titles, naval harbours, coinage, copyright and patent rights. Police and postal services to pass automatically to Irish control after the War—meanwhile to be subject to unified control by arrangement between the Imperial and Irish Governments. Prohibition of laws interfering with religious equality. Safeguards for Freemasons, Trinity College, and Queen's University, and the rights of existing Irish Officers.

3. *Financial Conditions.* Irish Exchequer and Consolidated Fund to be established, and an Irish Comptroller and Auditor-General to be appointed. Control of Customs and Excise by Irish Parliament, to be postponed for further consideration after the War, but to be decided within seven years of peace. Meanwhile, a Joint Exchequer Board (two members nominated by the

Imperial Treasury and two by Irish Treasury, with chairman appointed by the King) to be set up to determine the true income of Ireland. Revenue due to Ireland from Customs and Excise, as determined by the Board, to be paid into the Irish Exchequer. All branches of taxation, other than Customs and Excise, to be under the control of the Irish Parliament. Approval of the principle of a financial contribution for Imperial purposes.

4. *Land Purchase.* A series of provisions for the speedy completion of land purchase, including the immediate transfer of all untenanted land in the Congested Districts Board's area, to the Board and the transfer of the landlords' interest in all tenanted land to the occupying tenants or to the State for resettlement.

5. *Sundry Conditions.* The provisions of the Government of Ireland Act, safeguarding the position of existing Irish Judges and governing appointments and appeals, to be adopted. A Civil Service Commission to be established to prepare a system of admission by competitive examinations. The Irish Government, if they desire, to defer taking over the Services relating to old-age pensions, national insurance, labour exchanges, etc.

In the midst of the Conference negotiations Sir Edward Carson, the Ulster leader, resigned from the British War Cabinet (Jan. 22) on the ground, indicated in a letter to the Prime Minister, that his presence might disturb the consideration of any proposals submitted by the Conference to the Government. Then came the death of John Redmond (Mch. 6) and the removal of the most conciliatory and self-sacrificing leader in the Irish life of the time; the selection of John Dillon (Mch. 12) as leader of the Parliamentary Home Rule party and the development of conditions in Ireland which involved the drilling and marching of thousands of young Sinn Feiners and in Galway and Clare became bitterly hostile to Britain and chaotic in the disregard of law and order. In England, meantime, the demand that Ireland in this desperate crisis of the War, when Great Britain was being combed clean for recruits, should be compelled to do its share under Conscription, became over-whelming.

Home Rule Proposals and Conscription. Hence the Government policy of a Home Rule Bill combined with Irish Conscription. Opposition to the former policy at once developed from several angles: (1) From those who believed that any Parliament at Dublin would work for separation and help the enemies of England; (2) from those who believed that Ireland with its strategic ports and harbours—close to the Continent and ready for use by hostile submarines or aeroplanes or wireless communication—must, in the interest of world liberty and trade, be kept firmly under British control as to foreign policy or action; (3) from those who believed that, for the sake of Ireland, its dependence upon England as to coal and iron ore, wood and chemicals, should be recognized and provided for; (4) from those in Ireland who had become Sinn Feiners or avowed separatists and who felt that any real compromise, any satisfactory Parliament, any free local Government in Ireland, would retard rather than promote the establishment of a Republic; (5) from those who thought that Ireland should first prove its loyalty by accepting Conscription—if it would not help

the Empire without Home Rule it should not be given greater powers to organize against it!

There was another school of thought which maintained that, whatever the future, the Irish had already done their duty in the war with 150,000 enlistments up to, and in, 1918, that another 200,000 Irish in Great Britain had volunteered together with half the Australian army of 150,000 men and an estimated 750,000 in the United States Army. These figures could neither be proved nor disproved but they emanated from varied sources of a more or less responsible character and were of interest. On Apr. 15, 1918, the following official statement of actual recruiting in Ireland up to the end of 1917 was issued:

	1914	1915	1916	1917	Total
Ulster	26,283	18,020	7,305	5,830	58,438
Rest of Ireland	17,851	27,351	11,752	8,193	65,147
Totals	44,134	45,371	19,057	14,023	123,585

There was another point made in England and that was the claim that Ireland had grown rich out of the War by feeding the people of Great Britain. This argument worked both ways and if the Irish met the strenuous Government appeals for more production—as they did with an increased acreage in 1918, alone, of 1,500,000—while producing 40% of the cattle and 30% of the pigs of the whole United Kingdom they deserved praise rather than censure. In Parliament, on Apr. 9, the Prime Minister presented his new Military Service Bill, as a result of the German advance toward Paris and Calais; the essential industries were combed again for men of whom 50,000 were to be taken from the Coal mines and levies made from Transport services and even Munition works, while the age in certain cases was to be raised to 50. As to Ireland it was proposed to extend the various Service Acts to its people under the same conditions as in Great Britain; at an early date the House would also be called upon to deal with a measure of Irish self-government based upon the Irish Convention's majority Report. There were many discussions of the Irish clauses but they eventually carried by large majorities in both Houses; the Irish members left the Commons though Mr. Bonar Law on Apr. 12 assured them that the Government would try and carry the Home Rule Bill simultaneously with the preparations for putting Conscription into effect. Meanwhile Irish opposition was strongly expressed and well organized. On Apr. 18th a Convention of Irish leaders was held at Dublin with the Lord Mayor presiding and Messrs. Dillon and Devlin present for the Irish Parliamentary Party, E. de Valera and A. Griffith for the Sinn Feiners, W. O'Brien and T. M. Healy for the All-for-Ireland League, with Dublin, Belfast and Cork representatives of the Irish Trades Union Congress also in attendance. After consultation with the Irish Bishops who, simultaneously, were in session at Maynooth, the following Declaration was issued from the Mansion House:

Taking our stand on Ireland's separate and distinct nationhood, and affirming the principle of liberty, that the Governments of nations derive their just powers from the consent of the governed, we deny the right of the British Government or of any external authority to impose Compulsory service in Ireland against the clearly-expressed will of the Irish people. The passing of the Conscription Bill by the British House of Commons must be regarded as a declaration of war on the Irish nation. The alternative to accepting it as such is to surrender our liberties and acknowledge ourselves slaves. It is indirect violation of the rights of small nationalities to self-determination which even the Prime Minister of England—now preparing to employ naked militarism and force his Act upon Ireland—himself officially announced as an essential condition for peace at the Peace Conference. The attempt to enforce it will be an unwarranted aggression, which we call upon all Irishmen to resist by the most effective means at their disposal.

The net result of this policy, therefore, was that the Church leaders and priests and the Nationalist members were alligned with the Sinn Feiners against Conscription while succeeding Sinn Fein violence and the discovery of a German plot to use Irish malignants against England, alligned the British public once more in opposition to Home Rule and prevented the Government from coercing or coaxing British opinion to the support of its Home Rule measure as had been intended. The enforcement of Irish Conscription was abandoned; so was Home Rule. Ulster wanted Conscription but would not have Home Rule; the rest of Ireland wanted some form of Home Rule but would not have Conscription. To establish and enforce both would have challenged both sections of Ireland at the same time. But before the issue was decided F. M. Lord French had been appointed early in May as Lord Lieutenant of Ireland and Edward Short, K.C., M.P., as Irish Secretary while, on May 5, Mr. Dillon, Nationalist leader and Mr. de Valera, Sinn Fein leader, had stood upon the same platform in County Mayo and proclaimed their union against Conscription.

Sinn Fein and the German Plot. Meantime the Sinn Feiners had been at work in every direction sowing seeds of sedition, increasing old-time prejudices against England, heating traditional or dormant hatreds to a white heat. In the first of the year they fought the Nationalists who were sitting in Conference seeking some basis for settlement and were beaten in two bye elections. In South Armagh, L. Ginnell, M.P. described (Jan. 31) the Sinn Fein platform in the one word Republicanism: "The British Empire is a sinking ship and the sooner we cut adrift from it the better." In New York, on Feb. 21st, Dr. Patrick McCartan, who had recently been defeated in South Armagh, appeared and publicly stated that he was the accredited representative of the Irish Republic with instructions to establish an Embassy in the United States. An increase of lawlessness was very visible during these months and included raids for arms, cattle drives from estates in the West, the commandeering of farms, absolute disrespect for Courts and the forced release of prisoners.

Out of 240 newspapers in the country a large majority were Sinn Fein in policy and indirectly pro-German in advocacy; there

was much drilling and marching and much verbal defiance of the British Government; Sinn Feiners boasted to the soldiers that they were keeping out of the War and the lives of returned or invalided soldiers were rendered miserable by petty persecutions; riots occurred in Limerick and Belfast and other places, and much food was hoarded in order, it was openly asserted, to keep it from the English, while a proclamation was issued urging the people not to export food to England. Eamonn de Valera, the leader of this organization was not an Irishman; he was born in New York, boasted a Spanish father and had never become a British subject. One with him at this stage, in opposition to Conscription, though not in favour of a Republican policy, were Dillon, Healy, Devlin, O'Brien, etc. On Mch. 16, Mr. Dillon, in his first speech as Nationalist leader, declared that:

> Ireland is in a terrible condition at the present moment. She is invited by a numerous, clamorous body of young Irishmen to abandon her claim for Home Rule and set up a claim for an Irish Republic. I do not think the people who advocate that view are as numerous as they imagine, but it must be recognized that they speak for a large section of the younger people. It is futile to discuss a possible Irish Republic, and as the Sinn Fein leaders are not united or consistent as to their aims, why should they not leave aside their dangerous bluff, coalesce with their fellow-countrymen and make a united demand for that which is almost within our grasp.

At the same time he was with them, as against Conscription, and on Apr. 30 accepted the Presidency of the United Irish League upon this platform. On May 17th a bombshell was thrown into all the camps of Irish thought by a proclamation from Lord French declaring that the Government had received definite information as to a conspiracy entered into by certain Irishmen with the German enemy, and calling upon all Irishmen to support the King and his Government. The following additional statement was made: "As a means to this end we shall cause still further steps to be taken to facilitate and encourage voluntary enlistment in Ireland in His Majesty's forces, in the hope that, without resort to compulsion, the contribution of Ireland to these forces may be brought up to its strength and made to correspond to the contributions of other parts of the Empire." At the same time 150 arrests were made including De Valera, Count Plunkett, Mme. Markievicz, Arthur Griffith, and other Sinn Fein leaders. An official statement was also issued explaining the situation and stating that proofs were in the hands of the Government: "The revolutionary movement in Ireland which culminated in the arrest of a considerable number of persons last week consisted of two closely related series of activities—(*a*) the attempts of the German Government to foment rebellion in Ireland; and (*b*) the preparations made in Ireland to carry these attempts into action." It was pointed out that the chief line of communication between the Sinn Feiners and the Germans had been *via* Count Von Bernstorff and various United States sympathizers such as John Devoy until that country went into the War; new means had since been found and, on Oct. 27th, 1917, de Valera

at an Irish Volunteer Convention had spoken of 500,000 fighting Irishmen as available in case of a German invasion of England:

> For some considerable time it was difficult to obtain accurate information of the German-Sinn Fein plans, but about April, 1918 it was definitely ascertained that the plan for landing arms in Ireland was ripe for execution, and that the Germans only awaited definite information from Ireland of the time, place, and date. The British authorities were able to warn the Irish command regarding the probable landing of an agent from Germany from a Submarine. The agent actually landed on April 12, and was arrested. The new rising depended largely on the landing of Munitions from Submarines, and there is evidence to show that it was planned to follow a successful German offensive in the West and to take place at a time when Great Britain would be, presumably, stripped of troops. According to documents found on his person, de Valera had worked out in great detail the constitution of his rebel army, and hoped to be able to muster half a million trained men. There is evidence that German munitions were actually shipped on Submarines at Cuxhaven in the beginning of May, and that for some time German Submarines had been busy off the west coast of Ireland on errands other than the destruction of Allied shipping.

Speaking at Edinburgh on May 24 the Prime Minister referred to the absence of the young manhood of Ireland from the war struggle and added: "I am sorry to say that they are not merely sullen, but many of them, some of the men of great sway and influence amongst their countrymen, have entered into a conspiracy—with the military autocracy which is trampling down the liberties of the small nations of Europe—to stab Britain in the back while the whole of her attention and strength were concentrated on the struggle to deliver those enslaved nationalities. I have seen the evidence, and, after perusing it, there can be no doubt left in any reasonable minds as to the duty of the Irish Government." The Nationalist leaders were relieved of all blame or knowledge in the matter, while Wm. O'Brien and Joseph Devlin even denied the existence of the plot; Mr. Dillon fiercely denounced the Sinn Feiners for ruining Ireland and preventing the establishment of Home Rule. Opposition to Conscription appeared in every organized form and even the women held meetings to declare that they would not take the place nor do the work of conscripted men; the English press opinion was that the plot and Sinn Fein activities in general had killed both Irish Conscription and Home Rule; on June 21st Griffith, the founder of Sinn Feinism, was elected to Parliament from East Cavan.

Meanwhile the British Government, through Lord French, had made various seizures of arms and ammunition throughout Ireland and, on June 4th, appealed for 50,000 recruits to replenish the Irish Divisions at the front by Oct. 1st and thus avoid (by implication) the enforcement of Conscription; Sergeant Sullivan, K.C., Sir Maurice Dockrell, Capt. Stephen Gwynne and Arthur Lynch, M.P. were appointed to organize the effort; about 10,000 men were finally secured. In the Lords, on June 20th, Lord Curzon stated that conditions in Ireland had caused consternation in the Cabinet and had changed the point of view in the country. Under these circumstances to proceed with the Home Rule Bill would be folly and

might be criminal. At the beginning of July Sinn Fein Clubs, the Irish Volunteers, and the Gaelic League, were officially proclaimed as dangerous organizations which promoted violence and incited to crime; General Shaw, commanding the troops in Ireland issued an order forbidding public meetings, assemblies, or processions throughout Ireland without written authority. As with so many other Irish regulations, rules, laws, etc., this order was more often honoured in the breach than the observance; yet Mr. Short, Chief Secretary, was able to tell Parliament on July 29th that illegal drilling and seditious speaking had almost disappeared although seditious pamphlets were still being issued from concealed printing presses; on Nov. 5th he declared that the Government had been enabled "to avert an armed uprising by the physical force party," which had been planned and which "nearly came off."

The coming of the Elections in November stirred these varied elements up again. In many speeches the setting up of a Republican Parliament at Dublin was urged or promised while extremist policies were fiercely opposed by John Dillon and a faithful band of constitutional Nationalists. The Sinn Feiners contested 99 seats out of 105 and expected to return 75 members; they elected 73 and announced, late in December, their intention of organizing the Republic which they had foreshadowed in speeches and in a Manifesto issued during the Elections. In this document they proclaimed the withdrawal of Irish representation from the British Parliament and denied the right and opposed the will of the British Government to legislate for Ireland; they urged the establishment of a Constituent Assembly, comprising persons chosen by Irish constituencies, as the supreme national authority to speak and act in the name of the Irish people, and to develop Ireland's social, political, and industrial life for the welfare of the whole people of Ireland. They appealed to the Peace Conference at Paris to author ize the establishment of Ireland as an independent nation and stood by the Proclamation of the Provisional Government of the "Irish Republic" of Easter 1916 which asserted the "inalienable right" of the Irish nation to sovereign powers; they declared themselves to stand not for a Party but for the Nation.

The Roman Catholic Church and the Irish Situation. The Church of the Irish people, or of 73 per cent. of its population, was in a difficult position during 1918; its history, traditions and principles were opposed to revolutionary doctrine and in favour of Constitutional authority; the bulk of its Irish adherents were supporting revolution and opposing British law and order. The tendency of the younger priests toward Sinn Fein was early shown and, in 1917, they had more than once been warned by the Hierarchy to be careful of playing with fire; while English Catholics by organized Resolution and published letters protested against the Church being associated in any form with a seditious movement. The coming of Conscription, however, even though accompanied by a pledge of Home Rule, swept the Church leaders and the priests into a sort

of informal alliance with the Sinn Feiners. They did not officially approve its basic doctrines; they did co-operate with its leaders and workers against military coercion. At a Maynooth meeting of the Hierarchy of Ireland on Apr. 18, with H. E. Cardinal Logue in the chair, a declaration was approved instructing the clergy of the country to celebrate a public Mass of intercession in all churches in order "to avert the scourge of Conscription" and to arrange public meetings at which a pledge could be submitted and signed as follows: "Denying the right of the British Government to enforce compulsory service in this country we pledge ourselves solemnly to one another to resist Conscription by the most effective means at our disposal." The following statement was signed by His Eminence and the Bishops:

> An attempt is being made to force Conscription upon Ireland against the will of the Irish nation and in defiance of the protests of its leaders. In view, especially, of the historic relations between the two countries from the very beginning up to the present moment, we consider that Conscription forced in this way upon Ireland is an oppressive and inhuman law, which the Irish people have a right to resist by all the means that are consonant with the law of God. We wish to remind our people that there is a higher Power which controls the affairs of men. They have in their hands a means of conciliating that Power by strict adherence to the Divine law, by more earnest attention to their religious duties and by fervent and persevering prayer.

A National Novena, or prayer, was ordered for general and domestic peace as well as the taking up of a collection to provide funds for opposing compulsory military service. The old-time religious issue was at once intensified and the Presbyterian Church Assembly passed a resolution in favour of Conscription and against Home Rule whilst the Ulster press waxed warm in comments; a Catholic priest took the Treasurership of the Fund and Archbishop Walsh became Trustee—it soon reached $80,000 and was available to Home Rulers and Sinn Feiners alike. On Mch. 16th the new Bishop of Limerick (Dr. Dennis Hallinan) wrote and published a letter which stated that: "Sinn Fein, if I understand it aright, means self-reliance or 'trust ourselves.' That now is the motto. That now is your policy. Trust yourselves, my friends. Trust the legality of your methods. Trust the guiding hand of the living Providence that is watching over the destiny of this dear land of ours. Do not trust secret societies. Do not trust armed rebellion. That way leads to disaster and ruin. When the Peace Conference recognizes the right of Ireland to complete independence, England must recognize it. It must." Many meetings followed in April and May which were replete with fierce denunciation of the British Government and Conscription. Cardinal Logue and Bishop Fogarty of Killaloe, amongst other ecclesiastics, took the ground that this policy would produce serious disorders and that it warranted passive resistance on the part of the people though without violence of any sort. On Apr. 30 English Catholics, through the Catholic Union of Great Britain, took a hand in the issue and at a meeting of the Council attended by many representative men—including members of Parliament such as Lord E. Talbot, Lord Denbigh, Sir

Mark Sykes, and Col. Archer-Shee—passed a series of Resolutions as follows:

1. The Catholic Union has viewed with the deepest regret the action which the Catholic Bishops of Ireland have deemed it necessary to take for resisting compulsory service in the present war, action which appears to support a movement for organized disobedience to the law. 2. The Catholic Union is of opinion that it is just and right that the people of every portion of the United Kingdom should take their share in the defence of the Empire and the liberties of mankind from the grave peril to which they are exposed through the conflict wantonly forced upon the world by a cruel and unscrupulous enemy. 3. The Catholic Union cannot regard without serious misgivings any interference by ecclesiastical authority in questions which are purely temporal and political and in no way connected with faith and morals. 4. The Catholic Union desires emphatically to dissociate itself from a movement which cannot fail to hamper the full development of the military forces of the Allies, and thereby endanger the cause of humanity.

In reply to these, and other criticisms abroad, and also to an allegation that the Vatican was concerned in this attitude of the Irish Hierarchy, Cardinal Logue told the Manchester *Guardian* on May 1st that: "Irish bishops have received no instructions nor suggestions from the Vatican about their attitude toward Conscription. Everybody knows that the Catholic Church has sons on both sides of this horrible war, and everybody ought to know that the Vatican must be neutral throughout." He had in the past neither urged enlistment nor opposed it; personally, he was opposed to Sinn Feinism but he believed the British Government was encouraging it by this Conscription policy. In a speech at Thurles (May 6) Archbishop Harty of Cashel upheld this view and added that Conscription raised moral and religious issues which had to be considered. The Bishop of Confert, who a little later became the Archbishop of Tuam (Dr. Gilmartin), speaking on Apr. 21st, declared that the reasons why the Hierarchy denied the right of the British Government to enforce Conscription included (1) the fact that Ireland was a distinct nation geographically, economically, and socially; (2) the absence of an Irish Parliament and the fact of national decay under British rule; (3) the existence of a mere remnant of the race in Ireland which was just enough to hold and cultivate the country and could spare none of its scions for war: "If England has no right to conscript us against our will we have a right to resist such an outrage by the most effective means at our disposal." Upon this situation the London *Times* commented vigorously (May 10) and endorsed the position of the British Catholic Union against the Irish Hierarchy assuming leadership in a national and political issue:

It is a claim which goes far beyond the present Irish controversy—which affects, for instance, the struggle of Hinduism and of certain elements in the Dutch Church against a genuine Indian and South African statehood, which has been fought and beaten by the Canadians in Quebec, as one hoped that it had been finally laid to rest in our own chequered ecclesiastical history. There is literally no end to the menace both to the authority of Government and to religious toleration, everywhere, unless the claim of the Irish Bishops is clearly realized and decisively rejected.

As to this and other controversial statements it may be said that the Irish Bishops had as much right to lead a movement against Conscription as those of centuries past had to lead in the English movement which established Magna Charta, or the Church of England Bishops to share, through the House of Lords, in the British legislation of a century, or Ulster Presbyterian divines to invite signatures to the New League and Covenant against Home Rule. Whether it was wise or not to exercise this right was another question. On June 27 Lord Curzon issued a statement giving chapter and verse for extracts from the Sunday speeches of 8 priests in Ireland who "advised their flocks under penalties of eternal damnation" to resist Conscription to their utmost; a month later Father O'Flanagan, Vice-President of the Sinn Fein Society, was relieved of charge in Roscommon by his Bishop despite the desire of the people to keep him.

The English Catholic opposition to Irish action was one of many diverging Irish views in other countries. Bishop Fallon of Canada came back from a visit to Ireland and on Sept. 14th declared himself in favour of Irish self-government but as keenly opposed to Sinn Feinism; Cardinal Farley, on May 1st, compelled Father Magennis, a New York priest, to desist from varied Sinn Fein activities and aroused the protests of the local Irish Leagues: Archbishop Kelly of Sydney, Australia, cabled Mr. Dillon on Apr. 22nd, a vigourous protest against Conscription in Ireland; Major the Rev. Father O'Gorman of Ottawa, a loyal and wounded veteran of the War, took the interesting view in April that "when Australia and Canada demand Home Rule for Ireland, Scotland and England can not well refuse"; Archbishop Mannix in Australia led the Irishmen there along lines which embodied Sinn Feinism and admitted sedition; the Hon. J. T. Ryan, Premier of Queensland, supported a resolution protesting against Conscription in Ireland and urging Home Rule.

Home Rule appeals to the United States. A curious development of this controversy was the willingness of the Irish to bring a foreign nation and Government into the issue; another and more natural idea was that of Mr. Asquith, the British Liberal leader, in his proposal to the Prime Minister on June 25th that the self-governing Dominions, through their Premiers, be asked to help in finding a solution. On Jan. 15th the Supreme Council of the Sinn Fein, on behalf of the Irish Republican party announced that they were sending a resolution to President Wilson, also to Russia and France, protesting against the treatment of their representative, Dr. McCartan. Appeals followed for money-aid and messengers were sent to hasten the action and support of Irish Societies in the United States; Mrs. H. Sheehy-Skeffington, widow of the Irishman who was shot by mistake in the 1916 rebellion, toured the United States with the wildest claims and assertions and presented to the President a Petition declaring that: "Our country, having behind it twenty generations of repression, has we believe,

a profound claim upon those who have declared their will to make the world safe for democracy. We appeal to you to recognize the political independence of Ireland in the form of an Irish Republic." American opinion, however, was not as susceptible as formerly; it was now interested in the War and rather resentful of Irish anti-war propaganda; it did not see why its people should fight for world-liberty and not those over in Ireland. It did not object, seriously, to the Government's action in debarring the *Irish World* of New York, Devoy's *Gaelic American,* and the *Freeman's Journal* from mail privileges.

Irish-Americans, none-the-less, continued their activities and, on Mar. 31st a meeting of their Societies in New York declared for an Irish Republic and eulogized the Easter Revolution of 1916. The Friends of Irish Freedom Convention, in New York, listened to Judge D. F. Collahan on May 19th, to Peter Goldin declare that 10,000 Ghurkas were then in Ireland waiting an occasion to massacre the people, to Mellowes and McCarton, the Sinn Fein emissaries; these and others received ovations. From the moderate point of view T. P. O'Connor contributed long articles to the United States press reflecting upon Asquith, Kitchener, Carson and other leaders for not in 1914 recognizing the current war impulses of the Irish people; describing the ready recruiting of that period and the loyal response of the Redmonds, the Devlins, the Kettles; declaring, with some truth, that a frank and free grant of Home Rule at that juncture would have averted many succeeding ills. But no British Government at that terrible time could have faced civil war and the coercion of Ulster. Mr. O'Connor returned home in July after nearly a year spent in placing Ireland's attitude and opinions before the American people and in collecting funds for the Home Rule party. Meantime, American opinion had been expressing itself very clearly, outside of the Hearst papers and a few others hostile to Ireland's place in the British Empire. F. H. Simonds in a New York *Tribune* signed editorial declared on May 21st that: "If Ireland will not fight the enemy, not merely or primarily of England, but the enemy of all of us who hold to certain ideas and certain ideals, then the Irish people are out of court. They will have no standing, however great may be their local wrongs, however unjust in detail their punishment."

A Deputation of American Labour men visited Ireland in May and listened to all parties but would give the Sinn Feiners no sympathy; the New York *World* (May 23), an old-time pro-Irish publication in the States, declared that thousands of Irishmen in the Republic "believed Ireland's wrongs could be righted without stabbing England in the back"; speaking on May 26 John Dillon asserted his earnest conviction that: "the Sinn Fein policy is calculated to rob Ireland of the sympathy of America and of all democratic people throughout the world." Then came the arrest of Jeremiah O'Leary, President of the Catholic Truth Society and other Irish organizations in the States and, with him, other Irishmen charged with sedition. The Recruiting Council which ap-

pealed to Ireland in June for more men included Arthur Lynch, M.P., one-time rebel and a Boer supporter in 1900, who at once invited Theodore Roosevelt to come over and help in winning the souls of young Ireland to ways of truth and patriotism. He was unable to do so but one of the incidents which followed was the publication in the Irish Nationalist press of extracts from war speeches by Cardinal Gibbons, Archbishop Farley and others.

In the Commons, on July 29, Mr. Dillon moved a Resolution demanding that Home Rule be at once granted along the lines of President Wilson's self-determination policy; in his speech the Irish leader declared that if no British statesman was strong enough to settle the question President Wilson should be called upon to do so. The motion was rejected by 245 to 106. Early in this month a Dublin anti-Conscription Conference had sent the President a message explaining their attitude and hoping for his intervention; in reply to this Sir Edward Carson and other Ulster people sent a statement of their viewpoint and expressed shame at Ireland's partial repudiation of duty in the War; to this T. P. O'Connor replied at length on behalf of Mr. Dillon and the Nationalists. On Dec. 22nd a Wilson Day was celebrated in about 40 Irish centres with Sinn Fein resolutions asking the President to visit Ireland and pledging acceptance of any proposals then made by him.

War Policy and Problems of the British Dominions.

The countries of the Empire, whether small or big, self-governing or dependent, continued during 1918 to contribute of their best in war-work and war conflict. The smaller Colonies were generous in financial help and at the beginning of the year it was announced that the Malay States had decided to add $2,500,000 to their war contribution of 1917 and to vote $3,750,000 for 1918. In February the Imperial Government acknowledged receipt of the following recent gifts or appropriations: Bahamas $50,000; Barbados, $200,000 (making $400,000 altogether); Cayman Islands, $1,050; Turks and Caicos Islands, $5,000; Hongkong, $5,000,000; Gold Coast, $1,000,000, in ten annual instalments. It was specially requested that the following gifts should be used for the purchase of Aeroplanes: Mauritius, $333,330; Zanzibar, $250,000; Basutoland, $250,126. A gift of sugar which realized $87,835 was received from British Guiana, and an offer to pay one per cent. on a War Debt of $30,000,000 from Nigeria.

These figures did not include the cost of local campaigns borne in whole or in part by the Exchequers of Nigeria, the Gold Coast, the East Africa Protectorate, Uganda and Nyassaland, nor the cost of raising Contingents for active service. Succeeding gifts included $5,000 from the chiefs and people of Swaziland for the King's use, which was expended on an Aeroplane, and the collection of enough money in Malaya for the purchase of 35 Aeroplanes and a Tank as well as many and varied contributions from India. Up to the beginning of the year West Africa, British East Africa, Uganda,

Nyassaland, and Rhodesia had all sent Contingents to fight in German East Africa; 16,000 men from the West Indies had been sent across the Atlantic; Labour corps from the Eastern Colonies had gone to the Mesopotamian and East African fronts and, despite unfavourable conditions, to the Western theatre. The following approximate total of the War expenditures of the Dominions may be given here:

Canada	$1,600,000,000
Australia	1,455,000,000
New Zealand	377,850,000
South Africa	115,000,000
Newfoundland	10,000,000

Australian War Policy and Action. The British Commonwealth of the Pacific continued during 1918 to resist conscription proposals while her soldiers did splendid service in the dark days of March and April and, later, when the tide had turned; the appointment of an Australian officer, Lieut.-Gen. Sir John Monash, K.C.B., to command the Australian Corps was as popular there as that of Sir Arthur Currie was in Canada; a section of Labour continued bitterly hostile to War policy and to the Government while some elements were openly disloyal, and seditious utterances were not uncommon; Socialism and the I.W.W. spirit flourished in the larger centres; material conditions were fairly prosperous, great advances were made in manufacturing and the values of plant and machinery grew to a total of $210,000,000 while generous prices paid by the Imperial Government ensured activity and profit to wheat-growing, stock-raising and mining interests; the Merchant fleet grew to 95 ships of 398,000 tons, with profits in the year of $10,000,000, while the $200,000,000 War Loan was over-subscribed by $15,000,000.

The financial situation remained sound with a record by the middle of the year of $735,000,000 raised for War purposes; the revenue was $194,000,000 and ordinary expenditures $174,000,000 with War expenditures of $123,000,000—the British Government had advanced during these war years $237,000,000 to the Commonwealth Government; the estimated Incomes of the people totalled $1,288,000,000 and the deposits in Savings Banks on July 31st were $509,500,000; for the year ending June 30th the Imports were $301,800,000 and the Exports $365,250,000—less than in 1916-17 because of lack of shipping. The Government and the Imperial authorities financed various industries and, in 1917-18, purchased wheat to the value of $133,000,000, wool $375,000,000 and other products $25,000,000; in November the Parliament approved the addition of 30 per cent. to the Federal Income tax and the franchise was extended to include numbers of the Australian Imperial Force between the ages of 18 and 21; in parts of the year great improvement was shown in recruiting and the total enlistments for all Australia up to the end of the War were 415,685—New South Wales 163,528, Victoria 112,207, Queensland 57,542, S. Australia 34,854, Western Australia 31,165, Tasmania 15,389;

under the Government's repatriation policy every soldier applying for employment was to be provided with an opportunity of earning at least a living wage and was given a sustenance allowance until some position was available—as were the seriously incapacitated who also received vocational training—while capital up to $2,500 was provided for men who wished to go on the land; from August 1st the Government paid separation allowances to dependents in England of Australian soldiers—which they had refused to do before; the total output of Zinc concentrates was purchased in this year by the British Government with a contract for ten years after the War. Sir George Reid and Lord Forrest, veteran public men of the Commonwealth and the latter its first Peer, died during the year.

The Australian forces at the Front distinguished themselves in 1918 as in previous years and the soldiers developed efficiency while showing initiative and energy; the leaders may have sometimes attempted too much but they certainly avoided the vices of routine and compromise; the Commissariat was excellent and ranked with, or even above that of the Canadian, as amongst the best on the Western front; the Australian "Digger" was in a class by himself as fighter, soldier, and interesting companion. In the early part of 1918 the Australians were in Flanders with 5 Divisions up to strength; four of these were ordered south in March to help the British and French in holding back the savage and successful onslaught of Mch. 21st. They fought for weeks, grimly, against great odds, against a brave and for the moment apparently irresistible foe—yet without yielding ground; notable battles were fought at Dernancourt, at Morlancourt and before Villers-Bréttonneux with, a little later, the capture of the last-mentioned place. A series of brilliant attacks and small operations and countless raids followed with exhibitions of wonderful spirit and bravery. It was at this time that General Sir William Birdwood, who had led the Corps in its years of fighting at Gallipoli and then in France, was appointed to command the 5th British Army and was succeeded by Sir John Monash.

During August the Australians shared in the great British offensive and on the first day advanced ten miles, captured 104 guns and many prisoners; they then captured Vauvillers, Lihons, Proyart, Bray, Barleux and other places and, at the end of the month, in a sudden storming of Mont St. Quentin, made the capture of Peronne possible on Sept. 2nd. They were, at this stage, attached to the 4th Army of Sir Henry Rawlinson and in the middle of September took part in various attacks on the Hindenburg Line—penetrating its outer defences at Templeux and Holnon and on the 29th capturing Bellicourt and other points; they shared in the Battle of Beaurevoir and the capture of Montbrehain on Oct. 5th and then, the shattered remnants of an Army, were withdrawn to rest—with casualties since Aug. 8th, of 21,000 which included fatalities of 3,144. But they had in this period inflicted heavy casualties on the Germans, taken 23,000 prisoners, 330 guns and

many thousands of machine-guns, recaptured 116 villages and towns, and released 251 square miles of French soil.* The story of this fighting was well told in an Order dated Oct. 20th in which General Sir H. C. Rawlinson said:

> Since the Australian Corps joined the 4th Army on Apr. 8th, 1918, they have passed through a period of hard and uniformly successful fighting, of which all ranks have every right to feel proud. Now that it has been possible to give the Australian Corps a well-earned period of rest, I wish to express to them my gratitude for all that they have done. I have watched with the greatest interest and admiration the various stages through which they have passed, from the hard times of Flers and Poziéres to their culminating victories at Mont St. Quentin and the great Hindenburg system at Bony, Bellicourt Tunnel, and Montbrehain. During the summer of 1918 the safety of Amiens has been principally due to their determination, tenacity and valour.

As to the 1st Division which had gone north shortly after the other four went south, General de Lisle of the 15th Army Corps described its operations from April 12th to the end of the struggle as follows: "During the battle of the Lys, the Division selected and prepared a position to defend the Hazebrouck front, and a few days later repulsed two heavy attacks with severe losses to the enemy. This action brought the enemy's advance to a standstill. Since then the Division has held the most important sector of this front continuously, and by skilful raiding and minor operations has advanced the line over a mile on a front of 5,000 yards, capturing just short of 1,000 prisoners, and causing such damage to the troops of the enemy, that nine Divisions have been replaced. The complete success of all minor operations, the skill displayed by the patrols by day as well as by night, and their high standard of training and discipline have excited the admiration and emulation of all." Of the five Australian Brigades of mounted troops which served in Palestine and Syria under General Sir H. G. Chauvel little can be said here. They were suited to cavalry work and they found plenty to do from Romani on Aug. 4th, 1916 to the capture of Damascus in October 1918 when they helped to capture 40,000 prisoners. The Australian Flying Corps also took high rank and consisted of 4 service and 4 training squadrons and they had in the Near East units such as Camel Corps, Railway Corps, Tunnelling Corps and Hospitals. The total fatal Australian casualties of the War were 57,871, the wounded 150,241, the prisoners 4,264. There were over 13,000 Honours or distinctions won by these troops including the following: V.C. 63; D.S.O. 555; M.C. 1,989; D.F.C. 29; D.C.M. 1,413; Military Medal 7,449. The following is a List of prominent general officers in the Australian Army:

Brig-Gen. C. B. B. White, C.B., C.M.G., D.S.O.
Maj-Gen. The Hon. Sir J. W. McCay, K.C.M.G., C.B.
Brig-Gen. Charles F. Cox, C.M.G., D.S.O.
" Walter A. Coxen, C.M.G., D.S.O.
" Walter R. McNicoll, C.M.G., D.S.O.
" Robert Smith, C.M.G., D.S.O.
Maj-Gen. Sir J. J. T. Hobbs, K.C.B.

*Note.—Statistics quoted by *The Round Table* of March, 1919.

Brig-Gen. W. Griesbach, C.M.G., D.S.O.
" W. L. H. Burgess, C.M.G., D.S.O.
" James H. Cannan, C.B., C.M.G.
" Harold W. Grimwade, C.B., C.M.G.
" A. J. Bessell-Browne, C.B., C.M.G., D.S.O.
" Harold W. Elliot, C.B., C.M.G., D.S.O., D.C.M.
" Sydney C. Herring, D.S.O.
" Henry G. Bennett, C.B., C.M.G.
" Charles H. Brand, C.B., C.M.G., D.S.O.
" Thomas W. Glasgow, C.B., C.M.G., D.S.O.
" James Heane, C.B., C.M.G., D.S.O.
" G. de L. Ryrie, C.B., C.M.G.

At the close of the year Mr. Premier Hughes gave a statement to the New York *Tribune* illustrating the part of Australia in the War: "We went into the struggle to achieve certain definite objects —we fought for right against might, for liberty against military despotism; to secure our national safety and our political and economic independence. We have raised in Australia some 417,000 men. We have sent overseas 330,000. We, a small nation of 5,000,000 of people, have transported, over 12,000 miles of ocean. this great Army, for it is a great army, even in point of numbers, greater even than Britain herself had ever put into the field before this War. Its record speaks for itself. We have, by increased taxation, raised some £50,000,000 for war purposes and have incurred a War debt of £250,000,000. Our total war expenditure is already some £300,000,000 of which £200,000,000 has been raised in Australia. We have given to Great Britain for purposes of war 200,000 tons of our own Australian shipping."

Australian events associated with the War included the resignation of the Rt. Hon. W. M. Hughes and his Government on Jan. 8th as a result of the Premier's pledges in connection with the Conscription referendum* and the defeat of that proposal; the Governor-General's inquiry into and conviction of the fact that only Mr. Hughes could command a Party majority resulted in the return to power of the Prime Minister with a practically unchanged Government; on Mch. 31st the Cabinet was reconstructed because of the retirement of Sir John Forrest (created Baron Forrest of Banbury) and the Hon. W. A. Watt was appointed Treasurer while Hon. L. E. Groom became Minister of Works and Railways; Mr. Watt acted as Prime Minister during most of the year in Mr. Hughes' absence. In December Hon. J. A. Jensen, Minister of Customs, was dismissed by the Governor-General for association with some contract charges of corruption and Mr. Watt took his place. Mr. Hughes left for England and his place in the ensuing Imperial War Cabinet and Conference; on his way he told the United States at a New York meeting that an Australian Monroe Doctrine must be established.

In England, where he arrived in the middle of June, he urged in many vehement speeches that the German Colonies should not be returned, that Great Britain should re-establish Protection so far

*Note.—The final figures of this vote were 1,013,000 for Conscription, 1,178,000 against.

as the exclusion of German goods was concerned, that Australia must be adequately represented at the Peace Conference when it came, that German firms such as the Mertons must be excluded from British operation root and branch, that Germany should be prevented in future from obtaining the raw materials of British countries. One notable statement (London, June 17th) was that in traversing 14,000 miles he had seen no trace of the enemy and, that the British patrol of the Atlantic was marvellous. He added this: "England stands like a giant rock lashed by the fiercest hurricanes, displaying in the hour of her greatest trials a spirit worthy of the glorious cause for which she fights. As to Australia, the enemy's desperate blows have rekindled the fires of the people's enthusiasm." At Mr. Hughes' invitation the French Government in June sent General Pau and Albert Métin, ex-Minister of Labour, as a Deputation to Australia, to discuss after-war relations and they were well received in a subsequent tour of the country.

An interesting statement made by Sir Joseph Cook, Minister of the Navy, at the launching of a new warship built in Australia, was that the Commonwealth had accepted a policy of $25,000,000 yearly Naval expenditure; Mr. Hughes in an *Empire Review* article (August) described the great economic organization built up by his Government in Australia which had in the past year handled $570,000,000 worth of the primary products of that country; on Aug. 3rd the King, accompanied by Mr. Hughes and other Australian visitors, opened Australia House in the Strand as the centre of the life and work of that Dominion in London; in the New York *Post* of Aug. 16th Captain W. J. Denny, M.P., M.C., of S. Australia stated a partial total of Australian contributions to voluntary War funds—Red Cross, Belgian Relief, etc.—at $36,000,000. At this time Henry Y. Braddon was appointed Australian Trade Commissioner to the United States and on Dec. 18th told the American Manufacturers' Export Association in New York that: "Australia, which has a huge territory largely undeveloped, wants American capital. It has coal lands and mineral resources in abundance, which await development. In respect to manufactured articles, Australia wants, particularly, American-made light automobiles of heavy horsepower. American products in order of their importance which have flowed freely into Australia include metal goods, machinery, hardware, gasoline and oil, motor cars, apparel and textiles and, on a lesser scale, tobacco products, drugs, chemicals, canned goods and leather goods."

Mr. Hughes was in Paris during October and, with his usual straight speaking, said at a luncheon given by M. Pichon, Foreign Minister (Oct. 14th) that: "Germany must rebuild the ruined French and Belgian cities, replace the stolen machinery, restore the patterns and trade secrets, and compensate the manufacturers and workmen. Until then we cannot and will not admit her to the family of nations, nor give her a share of our raw materials." A little later he was in England helping the new Labour organization with its 250 branches and 150,000 members, which was led by

Havelock Wilson and J. A. Seddon, in speeches which keenly attacked Free-trade without mentioning the word; at London on Nov. 7th he protested vigorously against any terms of peace being discussed without the Dominions being consulted—although it was well-known that the Imperial War Cabinet had gone into the subject carefully both in its 1917 and 1918 sessions—and denounced some of the rumoured conditions from Paris and especially some of President Wilson's 14 points. His attitude was much debated in Australia: eventually he took a prominent part in the Peace discussions following the Armistice.

Meanwhile the ever-powerful Labour issues in Australia were taking new lines of action. The party had been split up by Mr. Hughes and his War attitude, by Conscription and the General Elections; it developed in 1918 an extremist side which held back recruiting, prevented necessary re-inforcements going forward, compelled the breaking up of famous battalions which had become depleted, and made common cause with Archbishop Mannix and the strong Sinn Fein element amongst the local Irish population. Its leaders in Victoria declined to discuss war-effort proposals and recruiting in a Government Conference and I. W. W. conspiracies cropped up from time to time with several trials and sentences for sedition. Archbishop Mannix, of Melbourne, as in 1917, was a pivot upon which this sentiment turned. He openly preached Irish separation from the Empire and Sinn Fein doctrines; in March Mr. Justice Heydon of Sydney, a prominent Roman Catholic, publicly declared that in leading his flock along seditious lines the Archbishop was "disloyal as a man and untrue as an ecclesiastic to the teachings of the Church"; demonstrations of support and antagonism were freely organized. The Government finally issued drastic War Regulations which followed up its suppression of the I.W.W. and described any person "advocating, inciting, or encouraging disloyalty, or the dismemberment of the Empire, or supporting the Sinn Fein movement, as guilty of an offence"; Dr. Duhig, Catholic Archbishop of Brisbane, and Hon. J. T. Ryan, Labour Premier of Queensland, cabled Mr. de Valera, the Irish Sinn Fein leader at this time, the public protest of a Brisbane mass-meeting against Conscription in Ireland; South Australia followed Queensland, as a State, into the Labour column.

Labour views, or rather those of the section opposed to Mr. Hughes and war action, were explicitly stated. Its platform, as developed late in 1917 and urged in 1918, demanded that the Allied Governments should call an Armistice on all fronts and negotiate for peace; claimed that British leaders such as Morley, Brassey, Loreburn, Farrer and Lansdowne were in sympathy with the belief that it was not worth while prolonging the struggle further; protested against the Allied Treaties which arranged for extensions of territory and against the holding of a British Army of 80,000 men in Ireland, against the hostility of the Allies to the Bolsheviki or "working-class Government of Russia," and against the contention that the Allies were fighting solely for liberty, justice and

democracy. To "stop the war" was proclaimed the greatest service Labour could render humanity. The Federal Government did its best to meet the recruiting difficulties which this viewpoint enhanced and, on April 12th, a Conference was held, at the personal call of the Governor-General, composed of members of the Government, the various State Governments, representatives of employers, leaders of politics and the Trades Union. Mr. Tudor, Federal leader of the Opposition and Mr. Ryan, Queensland, attended and the former issued a statement as to conditions which must be met before recruiting could really improve or Labour men enlist as desired. Summarized and put in terms comprehensible outside of Australia, the conditions were as follows:

1. Declaration by the Government that Conscription had been finally abandoned.
2. That there should be no more dismissals of eligible men to promote enlistment.
3. That penalties imposed upon certain Unions as a result of the disastrous and, it was claimed, disloyal Strike of 1917 should be removed.
4. The repeal of the War Precautions Act, War Regulations and practically the whole policy of the Government in the past two or three years—such as prosecutions against I. W. W. and sedition-mongers in general; release of prisoners held in connection with Conscription, anti-war propaganda, etc.; refund of fines and costs in respect to all industrial prosecutions during the War period.
5. That immediate steps be taken against Profiteering.

None of these local issues were logical reasons against recruiting but they were very real influences against it in practice. The Conference was unsatisfactory and no definite pledge of co-operation would be given by the Labour leaders—even if all these conditions should be met. In effect, however, recruiting did improve and rose from 400 a week in February to nearly 1,500 in May—Messrs. Tudor and Ryan taking an active part in urging enlistment. In June a demonstration of Labour and Pacifist opinion was organized and at an Interstate Labour Conference held at Perth on June 17th a series of resolutions was passed approving or amplifying those of the preceding year, demanding the initiation of Peace negotiations and declaring that the terms of a lasting Peace must include: (1) The political independence of small nations such as Ireland; (2) the use of the Plebiscite in respect to all disputed territories; (3) the organization of existing armies by voluntary service to restore the devastated territories of Europe at the expense of the invading Powers; (4) freedom of the seas through President Wilson's proposal of "a universal association of the nations"; (5) abolition of trading in armaments or their private manufacture and the abolition of Conscription everywhere.

As a matter of fact Marxian Socialism was now in control of this wing of the Labour Unions, the Red flag flew daily at the Trades Hall in Melbourne and in Brisbane, the Bolshevists were daily proclaimed as heroes of liberty. It constituted, in fact, with the Independent Labour Party in Britain, the only Pacifist body of organized Labour amongst the Allied countries. On the other

hand, Hon. Albert Gardiner, the leader of the Labour Opposition in the Senate, opposed Peace by negotiation and stood for "a fight to the finish" while it was clear that the real voting majority of the Labour party were still behind the Hughes Government. Following the Armistice an Address to the King was unanimously passed by the Federal Parliament on Nov. 15th, and by all the State Legislatures, which pledged unswerving loyalty to the King and Empire, congratulated His Majesty on the steadfast sagacity and resolution of Great Britain's statesmen and expressed heartfelt thanks to the Forces on land and sea and in the air for their victorious efforts and sacrifices.

The Dominion of New Zealand and the War. The people of these Islands did their war-duty with a minimum of friction but that minimum included Labour troubles, heavy financial obligations and taxation and difficulties purely local or political. There were in 1918 a number of war troubles visible. The reserves required to replace existing forces were approaching exhaustion, and married men were not called up under the Conscription Act until April; the Government had resolutely refused to make serious use of the woman-power of the country except for clerical work and as telegraph operators; no steps had been taken to enforce or give effect to the National Service law and Labour, as organized, was opposed to an industrial conscription which was essential to the carrying out of that Act; Labour was more or less Socialistic in its expressed views—though moderate as compared with Australia,—and in the Coal strike which for a time held up much War work the Government vacilated and, instead of acting under the Tribunal provided by law for the settlement of such difficulties, appointed a Commission. On the other hand the Report of a Commission appointed to inquire into the War-action of the Dominion summarized the net results of Mr. Massey's Administration as follows:

> In all essentials the Administration has succeeded. An army of 100,000 men has been excellently and fully equipped and carried to the other end of the world. £40,000,000 has been spent and no frauds committed. Supplies have been purchased well, and, although the actual purchasing has been done outside the Department, military officers have been responsible that quantities were sufficient and not excessive. The bargain for transport vessels was the most favourable that can be learned of anywhere. Your sick and wounded have been tended with efficient and tender care both here and abroad. At Gallipoli the New Zealand Hospital Ships won such a name that the wounded of other Forces counted themselves fortunate to be transported on them.

During the first part of 1918 additional War Loans were authorized to a total of $100,000,000; an issue of £9,500,000 or $46.-500,000 was over-subscribed and ran the total war expenditure up to $250,000,000 by Mch. 31st; there was an accumulated surplus on ordinary revenue and expenditure of $50,000,000 which had been invested in London Government securities; the financial condition of the country remained good and the heavy taxation was easily borne. As in Australia there was a drastic law, which it was not found necessary to enforce, prescribing that all persons in

New Zealand able to subscribe to War Loans and failing to do so must pay a fine equal to double the amount of their income-tax, in addition to being compelled to subscribe to the Loan and to receive only 3 per cent. interest instead of the full 4½ per cent. Meanwhile, a great tunnel was being driven through the mountain range running across the South Island which was intended to connect the fertile plains of Canterbury, through the famous Otira Gorge, with the mining West coast and harbours. It was to run about nine miles of which, in 1918, about half had been completed and the balance bored through. This was a great undertaking for a country of 1,000,000 people but they were, by this time, used to new and big projects.

The Government insisted upon the grading of nearly all produce, and no articles of food were allowed to leave the country without an absolute guarantee as to their wholesomeness. The Government had also bought up large tracts of land, subdivided them, built railways to develop them, and advanced farmers the money necessary to start with, at an expenditure of £18,000,000 and these farms had made a profit of hundreds of thousands of pounds sterling. New Zealand also gave Great Britain a Tariff preference of 12½ per cent. and the Government, it was announced, intended, after the War, to put a prohibitory duty upon all enemy goods. At this time (Aug. 15th) it was officially stated that the War record, as to men, was as follows:

Total number	98,055	Other ranks wounded	32,584
At present in Camp	8,500	Prisoners of war	347
Total mobilized	114,410		
Officers killed	588	Total casualties	47,408
Other ranks killed	12,859	Men returned and discharged	18,723
Officers wounded	1,377		

Speaking to the press of Montreal on Sept. 13th Mr. Premier Massey described certain conditions as follows: "New Zealand has suffered from a scarcity of ships. At present 6,000,000 carcasses, large quantities of cheese and butter, are awaiting shipment. The difficulty of exportation has kept the cost of living low in New Zealand, but imports have sold at a high figure. New Zealand has great possibilities for shipbuilding, as iron and wood may be readily obtained." Sir J. G. Ward, the Treasurer, added that: "Besides local financial requirements, New Zealand is raising $165,000,000 annually for war needs. On the basis of a population of 1,100,000 white people, this is a remarkable achievement. Its chief problem at present, is the need of shipping with many millions worth of products awaiting shipment to England." During the season of 1917-18 New Zealand produced 7,800,000 bushels of wheat—an increase of one-third; so also in butter and cheese and wool for export. Its Railways continued to be run profitably by the Government with profits of over 5¼% accompanied by reductions in rates. The Massey-Ward Coalition, while not exactly popular, was strong; it held the various elements together outside of Labour and the public did not want a Labour Government; in December it announced a

Referendum on continued Licensing, or Prohibition with compensation, and a Repatriation programme including re-employment, land settlement, curative treatment, and vocational training, with punishment of military defaulters by deprivation of civil rights for ten years and, if deserting abroad, prohibition against return within ten years. In the Prohibition matter, a Canadian organization sent James Simpson, the Toronto Socialist, George Bell, M.L.A., of Victoria, B.C., and W. D. Bayley, B.A., Vice-Chairman of the Winnipeg Labour party, to lecture on the subject and give Canada's supposed viewpoint. It may be added that subscriptions to War Loans in New Zealand were over $200 per head of the population while the people contributed to various patriotic institutions more than $22,000,000 during these war years; that the Imperial Government purchased the Dominion's wool-clip till a year after the War at the price of the past two years and also bought, in 1918, the whole exportable surplus of meat, cheese, butter and hides.

Meantime the Prime Minister (Rt. Hon. W. F. Massey) had held a high place in British discussions of Empire and War conditions. With Sir Joseph Ward he spent many months in England and in his speeches took strong ground (1) against any re-assumption of German influences in the Empire or German control over its industries or trade; (2) in favour of an Imperial Preferential policy with a view to consolidate the Empire and make it self-contained and self-supporting. Speaking in London on June 26th he declared that: "The trade of Britain with the oversea Dominions is £525,000,000 a year according to the statistics of 1915, and I believe that with a proper, reasonable, and well-thought-out policy of Imperial Preference, that figure could be doubled within a generation." Mr. Massey took an active part in the proceedings of the Imperial Conference and the work of the Imperial War Cabinet; with his colleague he took a strong stand against the return of German Colonies to Germany. In September they went home *via* Canada and spoke at several places including Montreal, Toronto and Western points. At Toronto on Sept. 16th Mr. Massey declared that: "Citizenship in the British Empire is not appreciated at its proper value; too few realize they are sharers in a great and glorious heritage. They do not study the past, are not familiar with historical facts, and do not know Britain's record. That will have to be remedied in future, and it will be the foundation upon which a greater and mightier structure can be erected for the benefit of the race and of all mankind."

In the actual fighting of 1918 New Zealanders took a most gallant part. They already shared in the Anzac traditions of Gallipoli and Egypt, their battalions had never lacked re-inforcements either in the near East or in France, as soldiers they possessed qualities very much akin to those of the Australians. Early in the days of the 1918 German aggressive they distinguished themselves and H. Perry Robinson, correspondent of the London *Daily News*, declared that it was largely owing to their determined defence in the Hebu-

terne area at the end of March that the Germans failed to make any progress there: "They tried again and again and every time they have fallen off: shattered from the New Zealanders' defence." In counter-attacking also, the soldiers of the youngest Dominion were successful and several times threw the enemy back with heavy casualties. In the later period of the British offensive they shared in a brilliant and successful attack at Haplincourt, near Bapaume (Sept. 2nd). They took part in the breaking of the Hindenburg Line along the Vendhulte section and, on Sept. 29th, in an attack of British and American troops their Division reached Lateau Wood and took 1,000 Prussian prisoners; in the middle of October they shared in some specially hard fighting on the Selle River with men of the Lancashires, Manchesters and Scottish troops.

The Times correspondent of Oct. 13th in reviewing their recent work said: "North of here by Briastre, New Zealanders, who have done magnificently in this battle, were fighting. Since their capture of Welsh Ridge, the Bonavis Spur, and La Vacquerie in the first days of the advance, Crevecoeur has fallen to them after heavy fighting, as well as Lesdain, Esnes, Fontaine, Beauvois, Viesly, and Briastre. It is a great record." A little later (Nov. 5th) Phillip Gibbs described what he called an "astounding victory" fought by the British 137th Division and the New Zealanders about La Quesnoy, near Valenciennes. The town was a mediæval fortification with high ramparts and great bastions which had been strengened by Vauban, the old-time master of the art, and the Germans were told to defend it at all costs:

> New tactics were adopted by the New Zealand general, who ordered one body of his men to go round Le Quesnoy on the north and another to work round it on the south, leaving pickets all around the town. This was done, and the town was completely surrounded by the New Zealanders, who joined hands on the east side. Some of their battalions then fought forward against determined resistance from the Germans in the villages of Hergignies and Jolimatzt, where they broke their way into the enemy's artillery positions and captured many guns. Astonishing things happened there.
>
> So it was all day until evening, when after surprising successes further forward the New Zealanders determined to close in upon Le Quesnoy and force its surrender at the point of the bayonet. From the outer ramparts they stormed the inner walls, which were very high and perpendicular so that they were not easy to scale. They forced their way in despite all machine gun fire, and after fighting in the streets of the town they received the capitulation of the remaining members of the garrison amounting still to nearly a thousand men.

Meanwhile, in Palestine, a New Zealand contingent had been doing splendid work under General Allenby, and shared in the victories which brought that country under British control. Amongst the general officers who distinguished themselves from this Dominion in the War as a whole Major-Gen. Sir Andrew H. Russell, Brig.-Generals H. T. Fulton, Herbert E. Hart and Charles W. Melvill may be mentioned—the three latter winning the C.M.G. and D.S.O. Major F. G. Massey, D.S.O., M.C., was a son of the Prime Minister and Sir Joseph Ward had a son in the Royal Navy and one in Palestine. Of honours awarded for service—apart from

those won by the many who joined the Imperial or Australian forces and obtained 5 Victoria Crosses—New Zealand captured the following: V.C. 7; D.S.O. 108; M.C. 370; D.C.M. 256; Military Medals 1,532; Bars to Medals 51; besides other Orders which included 4 Knighthoods and 151 decorations.

War Conditions and Political Unrest in South Africa. By a census statement issued in 1918 the population of the Union of South Africa was given as 6,872,164 of whom only 1,467,457 were whites or of European extraction. About half of the latter were Boers or descendants of the original Dutch settlers and a certain proportion of these people were almost as restless and dissatisfied within the Union as they had been in the old Colonial days under British Imperial rule. The leader of this section, General J. B. M. Hertzog, was as bitter and uncompromising in his anti-British advocacy as he had been in the days of Kruger and the Transvaal oligarchy; his antagonism now taking the form of republican advocacy, of separatist doctrines clothed in racial or labour forms, of striving to delay or hamper war action.

Yet, under the loyal leadership of men like Botha, Smuts. Malan and Burton in the Union Government or Sir Thomas Smartt outside of it, South Africa had done much. It had suppressed the brief Rebellion of early war days, conquered German West Africa and contributed to the conquest of East Africa; it had enlisted up to May 1917, 66,150 men for Overseas service, 44,214 for service in the Union or its local campaigns, with 4,000 who went to England at their own expense to join the Forces there. Besides the Army with which General Botha conquered the East African territory and, in the main, that with which Generals Smuts and Van Deventer conquered the Western regions, it sent gallant units to France, Mesopotamia, Egypt, Gallipoli and Macedonia while $10,000,000 was contributed by civilians to various War funds and tens of thousands of black labourers were recruited for useful work abroad.

The chief internal issue of the year was the action of General Hertzog and his Nationalist party in rallying the uncompromising, anti-British, Boer elements and all disloyal spirits of youthful immaturity along republican lines; in discouraging a certain amount of enlistment, in utilizing Labour friction and, especially, mining troubles, to affect war action through reducing the production of gold; in making native disaffection and unrest help the general process of hampering war effort. These results were not, of course, direct ones, and the leader always urged that there should be no violence and that there was no need of actual revolution. Throughout the 1918 Session of the Legislature issues collateral to the War and the opposition of General Hertzog were conspicuous though General Botha continued to retain the confidence of the House and that of the majority of the people. At the opening of Parliament on Jan. 20th Lord Buxton, Governor-General, said, with truth, that "in assisting to maintain the world-wide struggle for liberty, in

which the interests of South Africa are so vitally involved, the South African forces overseas have continued to render devoted service to the Empire, and to do honour to this country." A little later the Assembly negatived a Hertzog vote of non-confidence by 77 votes to 27—the Smartt Opposition, as usual, supporting the Government's War policy.

On Feb. 25th, by a similar vote, leave of absence to Gen. Jan Christian Smuts to attend the Imperial War Cabinet was granted and the Premier during the debate challenged the Nationalists either to do their duty or to try and establish a Republic. He intended to stand by the Empire, because he realized that South Africa's future and its prosperity depended on this policy. On Mch. 30th General Botha moved a Resolution expressing a deep sense of admiration for the tenacity shown by the troops under Field Marshal Haig in the great battle then proceeding and declaring that: "We are proud to think that brother South Africans have quitted themselves like men in the great test. We fervently pray that the Almighty may grant success to the arms of Britain and her Allies." Hertzog was explicit in his opposition and, while expressing his appreciation of the valour of the armies on both sides he declared that it was utterly impossible to sympathize with a fervent prayer for the victory of the arms of Great Britain. In accepting such a Resolution, he said, he would be committed to support an Empire built on conquest and aiming at expansion. A heated debate followed and the Resolution was carried with only Nationalists voting against it—the rest of the House stood and sang "God save the King."

A little later the House voted a War Loan of $14,000,000, with a vote of $5,000,000 for Imperial war purposes, after bitter opposition from the Hertzog party. While Sir J. P. Fitzpatrick (Apr. 18th) was denouncing the Nationalists for sedition and disloyalty they rose and walked out of the House. General Botha followed in an impassioned appeal for peace and a declaration that the situation was extremely serious. Mr. Hertzog however, persisted in his claim that he had a perfect right to advocate an amendment to the Constitution in order to establish a Republic. On Apr. 20th Mr. Burton, Minister of Finance, spoke at Cape Town and declared, with the exact approval of the Prime Minister, that: "It is impossible for the Government, in the interests of the people of South Africa, to ignore any longer the actual, palpable, and patent facts going on under our very eyes. We dare not do it, and we do not intend to do it. We say this, that our duty and most serious responsibility are to preserve peace and order throughout South Africa. However regrettable it may be, if it should appear that we are obliged to use force, the Government will be prepared." The propaganda persisted and unrest increased so that, on July 2nd, General Botha issued a Manifesto to the people of the Union as a whole based upon what he referred to as enemy propaganda, and mischievous elements, at work to create disorder and promote unrest:

As the Prime Minister of the Union, I wish in the most earnest and emphatic manner to add my appeal to each and every one, from the highest to the lowest, of whatever political persuasion he may be, or to whatever industrial organization he may belong, to regard this matter as of the utmost importance to himself and the country, and to be continually on his guard against this demon of intrigue, and to use his utmost endeavours to curb the unruly passions of those who think that something is to be gained by sowing discord and exciting strife. While the administration of the country is committed to my Government it is determined to take all necessary measures to counteract these intrigues, and I feel confident that in this task it will have the assistance and support of all good citizens.

General Botha found it impossible to attend the Imperial Conference but sent Mr. Burton; General Smuts was already in London and had become a prominent member of the War Cabinet. On July 7th it was stated that three men had been arrested for treason and I.W.W. delegates were charged with inciting natives to revolt at Johannesburg; in London a little later Mr. Burton declared the whole thing to be a racial and political move which did not represent any kind of a popular majority. With the coming of the Armistice conditions improved and demonstrations of loyalty and satisfaction were held at various centres while General Botha, on Dec. 2nd, left for London to attend the Peace Conference. There he met his son, Capt. Louis Botha, who was back from the Front, and received a warm welcome from the public; there, also, he joined General Smuts in protesting against any return of African territory to Germany and in declaring the need of a British Monroe Doctrine for Africa. Documents published at the close of the year proved Germany's plan for the creation of a great Colonial Empire extending across Africa.

In the actual fighting South African troops did not appear as conspicuously on the Western front as other Contingents but they did their duty well. In the attack on Meteren (July 17th) they distinguished themselves. Forming the right wing of the advance they moved further and faster than any other sector and, in face of severe, serious action with the enemy, in shell-craters and cleverly concealed machine-gun nests, they rushed on and achieved a substantial success. The casualties of the South Africans, considering the measure of their victory, were comparatively light. As to the long-drawn-out campaigns in German East Africa they were mainly due to the effort of catching a cleverly-led but fleeing enemy amidst tropical conditions of almost inconceivable difficulty. General Sir J. L. Van Deventer, who succeeded General Smuts in command, declared in his Report of Jan. 21st, 1918: "The *morale* of the enemy never wavered and nothing but the determined gallantry and endurance of our troops finally crushed him. To the infantry, British, South African, Indian, West and East African, I owe unqualified thanks and praise, and especially to the regimental officers, who set an example which all have followed." The casualties for six months were 6,000 with, however, 1,618 Germans accounted for and 5,492 Askaris or German native troops killed or captured. During 1918 the campaign continued with the occupa-

tion, on May 19th, of Nanungu, the enemy headquarters, and a pursuit of the most arduous and relentless kind continued until, on Nov. 14th, and in accordance with Armistice conditions, Gen. Von Lettow-Vorbeck surrendered his remaining forces, near Kasama, in Southern Rhodesia.

Thus ended a struggle which had covered over 100,000 square miles of tropical forest, swamp, mountain, hill and valley territory, amid natural obstacles so great that troops could march within a few miles of each other and yet be unable to meet. General Van Deventer pointed out, in his final Report, that the operaitons in German East Africa covered an area nearly as big as France, that much of the country was *terra incognitą,* and the natives unsubdued or openly rebellious. The country presented an ideal theatre for guerilla warfare and the enemy was elusive and well-led with many native guides at its disposal. The end came, however, and with it the end of German efforts to build up a great black army, and a great commercial empire in Africa. To the British commnding officer on Dec. 24th came a cabled appreciation from the Army Council of his "unfailing tact, skill and energy" in a peculiarly difficult campaign: "These difficulties have been realized fully here, and the Council feel sure that South Africa will be proud of the fact that it has fallen to one of her own Generals to surmount them. South Africa has, in addition to her notable efforts in France, Egypt, and Palestine taken a leading part in the conquest of the most important portions of the German Colonial Empire." The total casualties of the War to South Africa were 6,533 men and officers killed in action, 11,661 wounded, 1,344 taken prisoner and 293 missing out of a total of 150,000 men.

War Record of India in 1918. The more than 300,000,000 people of India had in this last year of the World War to face trouble from above and below, from without and within. In England, at Delhi, and at Calcutta, were a well-meaning group of British statesmen or leaders bent upon enlarging the area of self-government for the people as a whole; throughout India were seething masses of intensely ignorant and caste-bound natives who knew nothing of such an incomprehensible thing as liberty and only wanted food and a little clothing and the right to pursue their infinitely varied superstitions and religious rites without interference; around and about them were facile, clever and often unscrupulous Hindu leaders and agitators who had been educated along Western lines in the hopelessly superficial manner natural to a College effort at bringing East and West together or mixing racial oil and water. The native press of India was clever but it could, for instance, no more understand the government and viewpoints of a country like Canada than an untravelled Canadian could grasp the insoluble problems of the East, or appreciate the sacredness of the sluggish waters of the Ganges; comprehend the devotion of a Juggernaut victim, or the approval of onlooking multitudes at the suttee of a widow; realize the horror involved in the use of certain animals for

food or their carcasses for other purposes; understand the operations of the subtile Oriental mind behind the surface Western culture of an Hindu, or delve amidst the innumerable prejudices, regulations, animosities, of the rival castes of India!

As a matter of fact sedition and the enhancement of native prejudices, or native fear of white rulers, or native antagonism to British justice, were rife in the Hindu papers of the early years of the century and only the coming of War and the enactment of War measures prevented serious trouble. The Indian press, published in English, was as able in its advocacy as any journalistic system in the world; a small section was constructive but the great mass was destructive of existing conditions with expressed ends in view which involved the building of a structure of Western government upon a population beside which the masses of Russia were stable, sane and wise. Stirring at the roots of the popular mind were other elements. Germanized or Bolsheviki propaganda and the skilful use of ignorant anti-European prejudices were rife and they filtered into every part of the population; the influence of English agitators like Mrs. Besant had a serious effect upon the Oriental mind which could not understand the difference between a Home Rule for India which involved independence, or separation from British rule, or revolution, and a condition of modified, moderate, gradually-developed self-government such as Chelmsford and Montagu proposed and believed to be possible in 1918. Internal movements of thought re-acted from the tangled anarchy of Russia upon the fruitful soil of Hinduism, from the last war-struggles of the Turk upon the massed Mohammedanism of India. Hence the coming together in 1917 of the Indian National Congress and the Moslem League, hence the partial dominance of the Besant and Nationalist school of thought, hence the re-action of many to the moderate leadership of men like Sinha or Wacha, hence the Rowlatt Report as to sedition and the need for increased legalized restraints.

Yet, if anything from India could be surprising it would be the fact that, despite all these conditions and the pessimistic conclusions which might be logically based upon them, the great Eastern Empire proved loyal to the King-Emperor and to varied forms of War-action; that it still accepted and recognized in some vague intangible way the wonderful work of the 1,200 Indian Civil servants upon whose shoulders lay the administrative conduct and governing details of hundreds of millions of people; that education of a sort continued to extend with nearly 8,000,000 at school in 1916-17 and an alleged literate class (all ages) of 12 million—*a native claim which was probably exaggerated. At the same time the opportunities were available, even if the natives preferred their own religious system of limited instruction, and there were 5 Universities in the country with Normal Schools in all the Provinces. In an official review of the Report presented to Parliament in 1918 by the Secretary of State for India (Rt. Hon. E. S. Montagu) and

*Note.—Unofficial, Hon. B. N. Sarma in *India's Goal* published by G. A. Natesan, Madras.

Lord Chelmsford, Viceroy of India, in respect to their proposed Indian Constitutional reforms, it was stated that:

1. The War is the predominant factor in the present political situation. Whatever qualifications may be needed in the case of particular classes, the people of India as a whole are in genuine sympathy with the Allied cause. They detest German ideas and methods. They are proud that Indian troops should share in fighting against them. In particular, the response of the Princes and the great landowners has been generous and splendid. Except in recruiting areas, the rural population has not understood the real issues of the struggle and the obligations imposed by them. The loyalty of the country in general was emphasised by certain attempts made to disturb it.

2. In the first stages of the war the Indian political leaders' attitude was worthy of all praise; they showed a desire to co-operate with the Government rather than to hamper it; but latterly a change has taken place. India lost its first enthusiasm and its first alarm, and the old tendency to criticism asserted itself. Indian politicians need to be reminded that the War is not yet won, and that until it is won their aspirations are a vain dream. But the War and the sentiments to which it has given expression have given an immense impetus to political demands.

3. The basis of responsible government is perception of, and loyalty to, the common interests; not merely a capacity for business, but a real perception of the public welfare as something apart from, and with superior claims to, the individual good. These qualities are developed by exercise; but they rest ultimately on the habits of thought of the people. No one can measure them accurately by statistics; but statistics will show at once two things: That the immense mass of the people of India are poor, ignorant, and helpless, far beyond the standards of Europe; and that there runs through Indian society a series of cleavages—of race, religion, and caste—of which we must take due heed.

The politicians and agitators lived in towns; the vast mass of the population were ryots or country peasants with no knowledge of government beyond their District ruling official. When the War came the adult, educated classes of India, numbering perhaps 2,000,000 had become of themselves almost a caste with, on the surface, a mastery of the English tongue and literature and institutions. They were divided, however, into the successful element composed of able judges, writers, financial men and officials, or would-be officials and politicians, and a large reactionary element made up of men fed on mythical legends of an ancient India, steeped in Orientalism with a covering of Western culture, devoted to the past and hating the Europeans who menaced ancient traditions and customs by educational work and political thought. The latter and some of the former were the backbone of sedition and the seed-plot of American, German, Bolsheviki or Sinn Fein propaganda. The proposals of Mr. Montagu and Lord Chelmsford were apparently based upon two theories: (1) That democracy could be adjusted to the Oriental viewpoint, or the Oriental mind modified to suit Western ideals, and (2) that India's part in the War warranted a large measure of trust in the people as to its future government. As to the first, India was and is saturated with the sentiment of personal and autocratic rule and this in turn was a part, especially amongst the 66 million aggressive and powerful Mahommedans, of their religion and with it was associated the life of great Principalities which were not under direct British

rule. The Moslem Congress, controlled by agitators, agreed for the first time in 1917 with certain views of the Hindu Congress but Memorials poured in to the Government in 1918 from the Mahommedans of Bengal, the United Provinces, the Punjaub, Bombay, Madras, Behar and Scinde as to the vital need of preserving intact the British element in the administration of India. A Hindu oligarchy established in India would, it was believed, last only until the warlike Mahommedan population had got into the field to wipe it out—unless Britain went to war, on behalf of the unwarlike majority!

As to India and the War many things might be said. During 1918 the Princes of India continued to pour gifts into the British exchequer and men into the British armies. The Maharajah of Gwalior offered to the King-Emperor $30,000 for the benefit of naval officers and men; the Rao of Cutch continued to defray the expenses of an Indian infantry regiment at the cost of $180,000 a year; the Gaekwar of Baroda and the Maharajah of Indore each gave the Government of India $165,000 for war purposes; the people and their leaders, or Princes, had contributed $2,500,000 to the Red Cross up to the beginning of 1918; the native Government of the North West Province "cheerfully placed its resources" at the disposal of the Indian Government as did that of Behar. A War Conference of 16 ruling Princes and 100 representatives of varied classes and political opinion which met at Delhi on April 27th unanimously requested the Viceroy to convey to the King-Emperor the assurance that: "India is determined that Your Majesty's confidence that she will not fail the Empire in its hour of crisis shall be fully justified, and that the man-power and resources of the country shall be utilized to the greatest possible extent in the cause for which the Empire is fighting." Following the Conference Hindus, Mahommedans and British worked together on Provincial Committees to aid recruiting and collect money for war purposes; the Government of India, with the approval of native and British members of the Council, took over, on Apr. 1st, 1918, from the Imperial authorities the cost of maintaining 200,000 men on active service (about $100,000,000) in addition to the $500,000,000 granted in the previous year and largely raised by War Loans. According to Sir William Meyer, in his annual Budget at Delhi on Mch. 12th, the war expenditure of India was $50,000,000 a year with a net outlay on war objects to date of $640,000,000 and loans to Great Britain of $15,000,000 more.

The number of men raised by enlistment for War purposes in India, totalled 1,161,789 which were in addition to the 239,561 strength of the Native armies available at the outbreak. Those sent Overseas numbered 953,374 of whom 33,031 were killed in action or died of wounds, 52,296 were wounded and 9,092 were taken prisoners. These troops fought and served as follows: In France, 131,496; in Mesopotamia, 588,717; in Egypt, 116,159; at Gallipoli 4,428; at Salonika 4,938; in East Africa 46,936. Small

contingents, totalling 49,000, fought also in the Persian Gulf region, in Palestine, at Aden and in Central Asia. The chief fighting of the Indian Armies was, however, in Mesopotamia where they shared largely in the disasters ending at Kut and in the successes which ended at Bagdad and beyond. In France at an earlier time, in German East Africa and in Palestine they rendered splendid service—being much more adaptable to warm than to cold countries. In a despatch of Aug. 20th, 1918, General Sir C. C. Monro, Commander-in-Chief in India, drew special attention to the work of the India Ordnance establishments and munition factories; to the Railway Board which had aided greatly in the provision of railway material, river craft and machinery for the Near East campaigns; to the Indian Munitions Board which had provided much in construction materials, river craft, engineering, stores, tools, timber, hides and electrical plants for the forces Overseas. During the War period India also sent to its various fronts 1,500 miles of railway track, 250 engines and 4,500 cars. In a Message to the people on Aug. 4th, the Viceroy declared that:

> Today India, standing staunch and steadfast with the Empire, enters on the fifth year of war against Germany and her allies, against the forces of militarism and tyranny. We have passed through anxious times, but our Empire has rung true under heavy blows and the flag of liberty is still held by strong and willing hands. Meanwhile prospects of a new and spacious future have been disclosed to India, and the stages of a sure advance has been outlined for all men to see. It has been and is our hope that we shall be privileged to do something to help her along the path of her destiny. We feel then that we have a right to-day to call in the name of our beloved King-Emperor, for India's fullest and most ungrudging help through the final stages of the great war.

That call was not made in vain; with it the people received and discussed the extraordinary effort of the Montagu-Chelmsford Report to give the vast and varied Indian Empire a graduated scale of self-government. To even prepare and promulgate a scheme for freeing the institutions of 315,000,000 people who spoke 142 well-defined languages and possessed and prided themselves on having innumerable sub-divided languages or dialects; who held such religious antagonisms that it had proved impossible to validate marriages between Hindus of different castes; whose country had 720,000 villages and over 2,000 towns of infinite variety as to race, creed and caste; whose political complications were illustrated by the fact that the Brahmins advocating freedom and Home Rule for India were themselves the oppressors, the oligarchic rulers—in Madras for instance—of 40,000,000 non-Brahmin Hindus*; where great bodies of men such as the Madras Dravidian Association, the Mohammedans of the Bombay Presidency, the South India Mohammedan League, the Deccan Ryots Association, protested against any loosening of British control or any surrender of the rights of race or caste, was a tremendous task. But Mr. Montagu spent six

*Note.—Statement in Report of South Indian Liberal Federation to the Secretary for India.

months of study in India and, backed by the Viceroy, he had decided the time to be ripe for a step from the mild and beneficent autocracy of Britain into and along the lines of democratic self-government. His elaborate scheme cannot be fully reviewed here but it was presented to Parliament in a speech on Aug. 6th from which this summary of policy may be taken:

1. The Government of India to remain responsible to Parliament with a Secretary of State in the Imperial Government, a Select Committee reporting yearly to Parliament as to Indian affairs, and the creation of a Privy Council in India.

2. A Legislative Council, consisting of 100 members, with a large elected majority and an Upper Chamber, half official and half non-official, working normally by means of joint sessions. Where the Government of India desired to force its will it could certify that the legislation was in its opinion essential, and the Upper Chamber should then have the last and only word. This could easily be developed into the ordinary bi-cameral Legislative machinery.

3. Another body to be composed of the Princes of the Native States, a way being indicated by which in due course the Princes might jointly deliberate for common affairs with the Upper House.

4. The first steps towards responsible government to be taken in the Provinces. There should be responsibility in some subjects and reservation of others. More subjects could be transferred in one Province than in another, and as time went on the number of transferred subjects could be increased, until full responsible government was secured.

5. This local self-government to be made completely independent of official control and the working of the whole system to be reviewed by a Tribunal appointed by the House of Commons every 10 or 12 years.

Two Committees were appointed in India to inquire into questions connected with the franchise and the division of functions between the Government of India and the Provincial Governments, and between the official and popular elements in the Provincial Governments. Further explanation is impossible here but the words of the Report as to the objects aimed at may be quoted: "Indians must be enabled, in so far as they attain responsibility, to determine for themselves what they want done. The process will begin in local affairs which we have long since intended and promised to make over to them; the time has come for advance also in some subjects of Provincial concern; and it will proceed to the complete control of Provincial matters and thence, in the course of time, and subject to the proper discharge of Imperial responsibilities, to the control of matters concerning all India." It may be added that the Provinces in British territory numbered 14 with several divisions and 267 Districts and a population of 244,267,000; the Native States and agencies under British control numbered 17 with a population of 70,864,000.

Indian discussion of these proposals was voluminous in the press and heated in debate; the tendency upon the whole was to accept the plan as a step in the right direction and a wise effort at stabilizing public sentiment. Moderate thinkers such as Sir Denshaw Wacha, Sir S. P. Sinha, Sir N. Chandarvarkar, S. Bannerjea, Sir B. C. Mitter, accepted the proposals; extremists like B. G. Tilak,

Messrs. Jinnah and Das, Sir S. S. A. Aivar and Mrs. Besant, President of the National Hindu Congress, denounced the scheme and demanded full Home Rule. Provincial and District Conferences were held everywhere and, as a rule, the proposals were approved after discussion; the National Congress and Moslem League, however, adhered to the extremist viewpoint—even at the cost of splitting their membership and hurting their influence. The subject was dealt with in the Anglo-Indian press, most ably and moderately, and notably so in *The Servant of India,*—though, of course, there were journals which proved the exception. Following this proposed advance in self-government came the publication of a Report by the Rowlatt Commission of Inquiry into seditious conditions and the necessary steps to be taken during the War. The document was historically elaborate and its conclusions (which afterwards largely were put into law) indicated that the Government of India must be given additional powers—under safeguards as to operation and termination—along the following lines:

> The first group of enlarged powers should enable the Government (1) to demand security with or without sureties; (2) to restrict residence or to require notification of change of residence; (3) to require abstention from certain acts, such as engaging in journalism, distributing leaflets or attending meetings; (4) to require that specific persons should periodically report to the police. These revised powers should include the right to arrest, to search under warrant and to confine in non-penal custody.

War Position of Newfoundland in 1918. On Jan. 3rd Sir Edward P. Morris, who had been in public life for 32 years and Prime Minister of the Island for 8 years, resigned and was succeeded, after an interval of crisis and difficulty, by Hon. W. F. Lloyd, K.C., LL.D. Others who were supported for the position by elements of public opinion were Hon. W. F. Coaker and Hon. R. A. Squires; a little later Sir Edward was raised to the British Peerage, as Baron Morris of St. John's and Waterford, in recognition of the part taken by him for years past in Imperial constructive work and War action. Three other Ministers resigned—R. A. Squires, J. R. Bennett and M. P. Gibbs; the re-organized and still Coalition Cabinet under Mr. Lloyd, who took the Department of Justice, was composed of Hon. M. P. Cashin, Minister of Finance and Customs, W. Woodford, Minister of Public Works, W. W. Halfyard, Colonial Secretary, J. G. Stone, Minister of Marine and Fisheries, John C. Crosbie, Minister of Militia, J. A. Clift, Minister of Agriculture and Mines; Wm. Ellis, Leader of the Upper House; W. F. Coaker, A. E. Hickman and Hon. J. R. Bennett were Ministers without Portfolio.

In this connection Sir W. D. Reid, so long head of the Reid-Newfoundland Company, and associated with many important business enterprises, made a statement in a letter to Sir T. Shaughnessy—which became public—that he had financed three general elections, 1908, 1909, 1913, found the capital to establish *The Chronicle* in order to overthrow the Bond Government, provided the funds to

BRIG.-GENERAL GEORGE S. TUXFORD, C.B., C.M.G., D.S.O. and Bar,
Commanding 3rd Infantry Brigade, Canadian Corps.

BRIG.-GENERAL JOHN ARTHUR CLARK,
C.M.G., D.S.O. and 2 Bars,
Commanding 7th Infantry Brigade, Canadian Corps.

purchase from Liberal controllers, the *Evening Herald*, worked in conjunction with Sir T. Shaughnessy to promote the union of Newfoundland and Canada, brought about the retirement of A. B. Morine from politics to smooth the way for the coalition of the Morris Government with Coaker and Lloyd of the Opposition, and arranged for Mr. Coaker, President of the Fishermen's Union, to tour through the United States and Canada in 1917 so as to study Confederation conditions. Mr. Coaker at once prosecuted Sir W. D. Reid for criminal libel and the others denied the charges. Sir William was arrested but discharged on Feb. 18th, and on April 1st the charge was again dismissed by a grand jury.

The stimulation of recruiting and maintenance of the Royal Newfoundland Regiment at full strength were the first War essentials of the year. Up to this time 6,448 men had enlisted from a population of 250,000 and of these 1,200 were dead; the Regiment had served with distinction in Galipolli, and at Beaumont Hamel, at Guédecourt, at Monchy le Preux, at Cambrai and other battles in France; the Newfoundland Naval Reserve totalled 1,807 and had lost during this period 137 men. Another and peremptory issue in February was a shortage of food owing to loss of ships and especially that of the *Florizel* on Feb. 24th. The Government took steps promptly and successfully but it was contended that the handling of food tonnage and high cost of living problems was arbitrary; meantime the need for Conscription became a serious question and the Opposition was busy re-organizing with Messrs. Squires and Gibbs, as active members, with A. B. Morine back from Canada, and an agitation on foot to bring Sir Robert Bond into harness again as a political leader.

The Legislature was opened on Apr. 23rd with a pledge of Selective Conscription based upon Canadian legislation; this Military Service Act passed in due course and dealt with unmarried men or childless widowers between 19 and 40; little opposition was shown and Resolutions in favour of the measure came from all sections of the country; the Legislative term was extended for a year and the Minister of Finance had a Budget which showed a surplus of $650,000 and proposed an increased taxation which included Incomes and an export duty on fish and fish-oils. Parliament adjourned on May 16th and a little later the $2,000,000 War Loan at 6½ per cent. was over-subscribed by 75 per cent. As the Public Debt was already $38,000,000 this was a rather remarkable incident. The revenue of the Island in 1917 was $5,267,000 and expenditures $4,555,000, the estimates for 1918 were $5,702,000 and $5,452,000 respectively. Meanwhile Imports had grown from 15 to 21 millions and Exports from 15 to 22 millions. As to private War-effort Sir P. T. McGrath, K.B.E., told a St. John, N.B., audience on Oct. 10th that $3,500,000 had been expended by the Patriotic Fund; that two Hospitals had been established for returned soldiers and a Woman's Patriotic organization with 200 branches had collected funds at the rate of $1,000 a week; that $100,000 a year

had been subscribed for the Red Cross and a $50,000 contribution given for aeroplanes. The operation of the Conscription Act was quick and effective. Within three weeks of May 11th, when it came into effect, 1,000 exemption pleas out of 3,000 had been dealt with, 1,500 had been voluntarily enrolled out of 2,500 who registered as ready for immediate service, and it was found that there were neither enemy aliens nor conscientious objectors in the Island. By July 15th the Regiment was at full strength.

Incidents of the year showed 12 ships engaged in the seal fisheries with a catch of 151,431 valued at $863,000 and a reduction in the cod fishery catch as a result of so many fishermen—with however, large increases in price—absent on War service; the construction of a large cold storage plant by the Reid-Newfoundland Co., with a present capacity of 12,000,000 pounds and a projected one of 50,000,000 with also, smaller storages as fish collection stations; general evidence of prosperity throughout the Island with excellent economic conditions; the appointment of H. D. Reid as President of the Reid-Newfoundland Company in succession to Sir W. D. Reid. During the year Newfoundland was formally styled and recognized as a Dominion and Sir Edgar Bowring appointed High Commissioner in London without salary; the Hon. M. P. Cashin, Minister of Finance, and the well-known journalist-politician, Hon. P. T. McGrath, M.L.C., were created Knights of the Order of the British Empire; Mr. Premier Lloyd attended the Imperial War Cabinet and Conference and was made a member of the Imperial Privy Council and Knighted.

British Rule in Mesopotamia, Palestine and Egypt. In those parts of Mesopotamia which had been for a year or so under British control the soil of perhaps the most fertile region of the East commenced in 1918 to blossom with all kinds of production; the rich wilderness of centuries had become the supply-ground of armies and people alike. As to other things a characteristic British result was depicted by Lord Robert Cecil in Parliament on July 23rd: "Thirteen Government primary schools, 4 municipal state-aided schools, a teachers' training school, and a survey school have been opened, and classes in agriculture also have been started. Large tracts of untilled land now are being cultivated through the efforts of the population and the political administration. The opening up of the country by roads and railway and the improved water transport and the establishment of, and security of, the highways has resulted in an increase in trade and a lowering of prices." Another semi-official statement noted that within a year the number of steamers on the Tigris had increased from 16 to 1,700, that 11,000 miles of rich soil, useless because of the rainy season overflow, had been reclaimed by engineering works, that similar operations had been carried out along the Euphrates, that the growing crops were saving 2,000,000 tons of shipping a year which would have had to be used to carry supplies for the Army and that cotton, wheat, and

sugar could be grown in most productive quantities. As to Bagdad, that great Oriental city was now lit with electricity which the Arabs believed to be British magic; homes had been valued and registered and rents adjusted and the Railway carried to the Persian Gulf; idlers were prohibited, work was given and encouraged, high Turkish taxes were remitted, and new schools established.

Palestine was again linked with Egypt, as in the days of ancient Rome, a broad-guage railway ran from Gaza to Jerusalem, metal roads were built over the mountains and plains, and kept in a repair which was marvellous and new to this part of the East; hundreds of tons of wheat were sent from Egypt into Palestine and distributed, new areas were brought under cultivation and the villagers encouraged to work and produce; Jerusalem, with the Union Jack flying over it, became once more the centre of Christian thought and in four months the distress and sickness and fear incident to the Turkish *régime* had gone while revived industry and evidences of order and prosperity were everywhere; roads were being built or repaired, Bedouins grazed their flocks in security around the Holy City and its inhabitants no longer lived in daily terror of Government exactions and official robbery; a British Court administered justice and the Military Governor had abolished the system under which Turks taxed all produce 25 per cent. and added 15 per cent., or more, for personal graft; the importation of oil for irrigation machinery, and the provision of transport in the summer saved the Orange industry from disaster; the foundation stone of a Hebrew University was laid at Jerusalem while an adequate water supply was organized and, for the first time in history, the 50,000 inhabitants of that city could obtain pure water.

Egypt in its improved conditions, sanitary systems, free and yet necessarily restrained Government, was in 1918 an old story. The control of the Nile, the great and ever-growing mechanical works of the British *régime,* the enhanced production and improved state of the Fellaheen, continued despite the War. During May the Egyptian Government voluntarily contributed $15,000,000 toward War expenditures.

BRITISH EMPIRE INCIDENTS OF 1918.

Jan. 1.—The latest comparative figures of Empire Industrial production were as follows: Canada (1915) $1,407,137,140; Australia (1914), $809,841,158; New Zealand (1911), $154,414,476; South Africa (1915-16), $196,782,872.

Jan. 1.—The 1917 Report of the British Cable Board showed that enterprise to be upon a paying basis, to have been worked without interruption since the first weeks of the War and to have transmitted 9,000,000 paying words and 650,000 free messages during the year.

Jan. 10.—In connection with the Halifax disaster the Canadian Government granted $5,000,000 for relief; as did the British Government; with promises from the United States for a similar amount which, however, Congress did not implement.

Mar. 4.—In an address before the Montreal Canadian Club P. W. Wilson, ex-M.P., and representative of the London *Daily News* declared that: "The time has come when the United Kingdom should hear the views of the Dominions more frequently than she has had the privilege of doing in the past, and we ought to haye, quickly, an Imperial deliberative Council based

on the lines of the British Cabinet, in which each Dominion shall be worthily represented and which would determine not only those great physical questions which must come up, but the ultimate issues which determine the peace and war of the world."

Aug. 1.—Up to this date 3,833 non-commissioned officers and men of the Canadian Overseas Forces had received commissions as officers in the Imperial Army—not including hundreds of individual officers coming from Canada on their own responsibility.

Nov. 1.—A writer in the *United Empire* of London estimated that the actual increase of Britain's population during the war included 500,000 persons "saved" by the cessation of emigration, 380,000 Belgians of whom many would remain, 20,000 additional Chinese and Japanese imported workers while, from a Labour point of view, there were 300,000 fewer persons in receipt of Poor Law relief and 1,000,000 additional female workers.

Dec. 20.—A Memorandum published by Maj.-Gen. A. D. McRae, C.B., with a view to promoting the establishment of an Inter-Empire Wireless News Service stated that the project had been favourably considered at the Imperial Conference in 1911, and construction of stations at Oxford, Cairo, Nairobi, Pretoria, Poona and Singapore at a cost of £150,000 a station decided upon; that such Service would be for News service only but could be used strategically; that only 12 high-powered stations would be required and each station be maintained by the country in which it was situated; that cost of construction would not exceed £3,600,000 and maintenance £300,000 annually.

Dec. 22.—The Supreme Court of Alberta declared that Otto Solvancy, a Norwegian naturalized citizen under the Act prior to Jan. 1, 1918, was a British subject when abroad as well as within Canada and therefore subject to conscription for service abroad.

Dec. 31.—British visitors to Canada during 1918 included Harry Lauder who did much for recruiting in Winnipeg, Montreal, Toronto and other centres; Major-Gen. J. D. McLachlan, D.S.O., and the Earl of Reading, G.C.B., British Ambassador to the United States; General Sir James Wilcocks, Governor of Bermuda, a veteran of the Western front and 17 campaigns and Sir W. Arbuthnot Lane, BART., the distinguished surgeon; Prof. Sir John Macdonell of University College, London, and the Bishop of Birmingham (Dr. H. R. Wakefield); Dr. A. E. Shipley, Vice-Chancellor of Cambridge University, Sir Henry Jones of Glasgow University and Sir Henry Miers of Manchester University; Lord Charnwood and the Bishop of Northampton (Dr. Keating) Peter Wright, the well-known Labour man and lieutenant of Havelock Wilson, M.P., Chairman of the British Seamen's Union. The visit of Dr. Cosmo Gordon Laing, Archbishop of York, on his way home from the United States, was a notable incident. He made a marked impression upon his audiences and was welcomed in Toronto on April 5th by a crowded mass meeting representative of the Christian churches and every walk of life. In the next few days a Civic reception, an address to the Canadian Club and other functions filled his crowded time. At Ottawa he also addressed the Canadian Club and was the guest of the Governor-General. Sir F. E. Smith, BART., M.P., —a year later he was Lord Birkenhead and Lord Chancellor of England— visited the United States and Canada early in the year. On Jan. 25th he addressed the Canadian Club at Montreal, was entertained at the Mount Royal Club by Sir Charles Gordon and addressed the students of McGill University; on Jan. 20th he had been in Toronto as the guest at various functions and a little later sailed for home *via* Halifax. Other visitors included the Australian and New Zealand delegates to the Imperial Press Conference who returned *via* Canada in August together with Dennison Miller, Governor of the Commonwealth Bank of Australia and many officers returning home; Surgeon-Gen. R. H. Fetherston of Australia, Hon. Crawford Vaughan, M.P., ex-Premier of South Australia, Hon. Samuel Mauger, ex-Postmaster General of the Commonwealth.

Dec. 31.—The British West India Islands or Colonies, numbering 15 in all with a total population of 4,200,000, and each with its own local Government, separate tariff, debts and laws, yet without responsible government and dependent for administration on London, constituted a complex study at this

time and the following table compiled from the Colonial Office List is of value:

	Area in Square Miles.	Pop. Census 1911.	Pop. Per. Sq. M.	Public Debt.	Revenue 1915.	Total Trade.
Bermuda	19	18,994	999.7	£45,000	£106,467	£681,491
Bahamas	4,403	58,124	13.2	57,368	86,251	606,481
Turks and Caicos	169	5,615	33.2	nil	6,578	58,106
Jamaica	4,450	831,383	186.8	3,823,282	1,170,618	4,556,122
British Honduras	8,598	42,323	4.9	197,169	108,016	913,510
British Guiana .	90,277	312,391	3.4	886,065	586,598	5,304,552
Trinidad	1,754	333,552	190.6	1,658,853	782,437	9,808,386
Tobago	114	22,508				
Barbados	166	180,516	1,087.4	447,900	212,484	2,452,140
Windward Island	524	172,100	328.4	286,250	206,514	1,584,099
Leeward Island .	704	131,964	187.4	243,165	162,239	1,203,802

Dec. 31.—During the year there was a revival of the movement for bringing the British West Indies into the Canadian Confederation and H. J. Crowe of Toronto presented these arguments: "Canada at present has no tropical territory, and if she is to approach an equal footing with the United States, with respect to variety of climate and products, she will need to include within her Dominion these rich tropical Islands. Lying as they do at the crossing of the trade routes between Europe and Panama and North and South America, and owing to the fact that through their zone there must in the future pass much of the world's trade, they are of great strategic importance. As to the Islands, they would then be part of a rich, young, northern nation, whose energy and capital would develop their productive soil, increase their transportation, give them free entry into the ever-growing market of Canada, enable them to hold their present market with other countries, and in addition, participate upon an equal footing in the advantageous reciprocity treaties Canada is able to make in foreign markets—particularly the United States—because of her boundless wealth and natural resources." Mr. Justice S. O. Rowan-Hamilton of the Leeward Islands claimed at Halifax (Mar. 7th) that the British West Indies had no future in the British Empire if a union with Canada were not considered: "If confederation with Canada does not come then ultimately there must be a union with the United States." *The Canada-West India Magazine,* published in Montreal maintained during 1918 a vigourous campaign in favour of closer trade and other relations between the Islands and the Dominion.

American Conditions and War Development in 1918

The United States had time in 1918 to overcome the initial War difficulties of 1917—the problems of a Pacifist nation face to face with a great war. Breathing time was given by the tremendous efforts of French and British troops in the last half of the one year and the first half of the other; had American preparations—great as they were in the end—been a little earlier there would have been no retreat of the French armies and no "Back to the wall" British episode of 1918. As it was the Allied troops on the Western front faced and overcame, with but slight American assistance, the great crisis of the World War; on the Asiatic front a similar crisis caused by the collapse of Russia was met and turned into victory. But when all this is said the fact remains that with the huge, slow, strength of the United States beginning to really move and throw its weight into the scale of war-worn armies the fate of the German cast to destiny was certain; had even the sacrifices made by Britain in shipping and convoy fleets been impossible in 1918 the lapse of another year would have seen a construction of ships sufficient to open the seas of the world to the American troops—though by that time this War would have been won or lost in Europe! There were two general views of American action during this period—one was that the United States had saved the world; the other was that the British Allies had saved America by holding Germany at bay for four years. As usual the truth lay between these extremes.

It was officially estimated that the resources of the United States in 1918 included a national wealth of 225,000 million dollars and that the future yearly expenditures of the Republic would be increased by war-interest charges, Government war insurance, pensions, etc., from 1,000 to 2,000 millions.* Up to the end of the first year in which the United States had shared in the struggle these vast resources had been used but not as freely and efficiently as might have been possible; much had been done but not enough to avert the tremendous impact of March-July, 1918, upon the Western front. Production had, it is true, largely increased with coal showing 54,000,000 tons additional in 1917, iron-ore 20,000,000 tons and petroleum 41,000,000 barrels; munitions of war advanced apace in production and food exports grew in volume while financial loans were very helpful to the Allies. The President was as earnest and energetic in pressing the War as he had at an earlier date been intent upon avoiding responsibilities which he did not think the nation was ready for. But there was undoubtedly bungling in high places, red-tape and inefficiency in some Departments, a playing at politics in Congress and elsewhere, continued deficiencies in guns, equipment and supplies.

*Note.—*Official Bulletin*, Washington, July 30th, 1918.

In January 1918 three members of the Senate Committee on Military affairs (Chamberlain, Hitchcock and Wadsworth) reported that: "The Government has not been effective on the material side of war and the country's vast industrial and mechanical resources have not been properly synchronized." Writing from the Front in the New York *Tribune* (Jan. 10th) Heywood Brown declared that: "We have leaned much too hard upon the French. We use their gasoline and their air-planes and their field-guns and their heavy guns and their bombs and their automatic rifles. We take nothing from the British but gas masks and helmets. All these things are paid for, to be sure, but there are many things more important in this war just now than money—and supplies and munitions are two of them." According to Caspar Whitney, the well-known War correspondent, writing early in the year and returning to the United States in order to publish the facts, there was a large American shortage in automobiles and in motor-trucks and machine-guns. Labour, which was so scarce in France and so plentiful in the United States, was not supplied to the American troops at this stage and they had to depend upon the French. As to coal supplies and boots and clothing—these the British largely contributed. Conditions improved greatly in the next three months, and then by leaps and bounds, until three armies, well equipped and supported, were helping to drive the Germans back from the Marne to the Rhine. The earlier situation was frankly admitted by General John J. Pershing in his final Report as to the Army on Nov. 20th, 1918:

> Our entry into the War found us with few of the auxiliaries necessary for its conduct in the modern sense. Among our most important deficiencies in material were Artillery, Aviation, and Tanks. In order to meet our requirements as rapidly as possible, we accepted the offer of the French Government to provide us with the necessary Artillery equipment of 75's, one fifty-five millimeter howitzers, and one fifty-five G.P.F. guns from their own factories for 30 Divisions. The wisdom of this course is fully demonstrated by the fact that, although we soon began the manufacture of these classes of guns at home, there were no guns of the calibres mentioned manufactured in America on our front at the date the Armistice was signed. The only guns of these types produced at home, thus far received in France, are 109 seventy-five millimeter guns.
>
> In Aviation we were in the same situation, and here again the French Government came to our aid until our own aviation programme should be under way. We obtained from the French the necessary planes for training our *personnel*, and they have provided us with a total of 2,676 pursuit, observation, and bombing planes. The first Aeroplanes received from home arrived in May (1918) and, altogether, we have received 1,379. The first American squadron completely equipped by American production including Aeroplanes, crossed the German lines on Aug. 7th, 1918. As to Tanks, we were also compelled to rely upon the French. Here, however, we were less fortunate, for the reason that the French production could barely meet the requirements of their own armies.

Within the first three months of 1918 there were gradual improvements in the situation and on Mch. 30th an official statement by George Creel, Chairman of the Public Information Committee said: "The scale on which Ordnance operations are being conducted

may be appreciated from the fact that deliveries of rifles for the United States forces are now being made at a rate of 45,000 a week, which is sufficient to equip three Army Divisions. Deliveries in quantity of the new Browning light machine gun began in February and will reach the maximum rate in June, when several thousand will be turned out every week. The heavier machine gun, the Colt-Browning, has been delayed a week or two longer. The Shipping Board, facing a task of unparalleled magnitude and complicated by every difficulty, now has under way a programme that promises to meet our needs." Whether, or how, the supplies reached the Army in Europe need not be dwelt upon here but at the beginning of the year the Quartermaster's Department had purchased 46 million articles of underwear, 11 million gloves, 52 million stockings, 20 million shoes.

By the end of 1918 there was no question as to certain forms of United States supplies and armament at the Front; an official statement was issued showing that by Nov. 11th the American Army had brought over to France and had in operation 967 standard-gauge locomotives and 13,174 standard-gauge freight cars of home manufacture. In addition, it had in service 350 locomotives and 973 cars of foreign origin with 53,000 motor vehicles of all descriptions in operation. To meet demands which the existing French railways were unable to meet, 843 miles of standard-gauge railway were constructed and 500 miles of this had been built since June 1st. Vast stores of ammunition and artillery had accumulated and the food supplies in hand totalled 1,200 million rations of beans, flour, milk, butter, sugar, meat and coffee. Financially, Congress had appropriated a total of $7,930,000,000 for War needs in 1917 and the Secretary for War (Newton D. Baker) reported on Jan. 10th, 1918 that: "We can now see the entire situation. The initial rush-needs are substantially supplied. The technical corps have been expanded and re-organized upon industrial and efficient lines. The co-ordination of Ally needs with our own purchases has been effected. An agency exists to prevent conflicts and to adjust those which can not be prevented. By the co-operation of all interests and all people in the country the Nation is now organized and set to its task with unanimity of spirit and confidence in its powers." The total appropriation for War purposes at the close of the year was $24,000,000,000.

The American Contribution of Men. During the year of American warfare ending April 6th, the expansion of the Army had been steady while the basis upon which selection operated under a draft registration of 9,586,508 men was sufficiently large to ensure ultimate success. On Jan. 4th, 1918, 1,057,363 of these had been certified for service, 687,000 mobilized, with 370,363 more ready for mobilization and 1,217,244 claims for exemption granted out of 1,560,570 claims presented. By the beginning of April the 12 months increase in the Regular Army of the United States was from 127,588 to 513,840; in the National Guard (State organizations)

from 80,446 to 448,476; in the Reserve Corps (on service) from 4,000 to 173,570; in the National Army, on active service, from nothing to 516,839—or from a total of 212,034 to 1,704,725. About 100,000 officers out of these totals were in training for service and command. During January preparations were well under way in France for the construction of great bases fitted to receive, train and equip from one to two million men; troops were transported in steadily-increasing numbers, as the months passed on, and they were able in May to take an important part in the campaigns which were then developing to their vital and final results.

At this time, also, Mr. Secretary Baker was able to promise a Contingent for the Italian front, and on June 30th the total strength of the American Army in all sections stated above was 2,219,685. By this latter date the number of American troops overseas was stated by Mr. Baker, in a letter to the President, as 1,019,115 including 14,644 marines; and they had been carried as follows: 1917—May, 1,718; June, 12,261; July, 12,988; August, 18,323; September, 32,523; October, 38,259; November, 23,016; December, 48,840. 1918—January, 48,776; February, 48,027; March, 83,811; April, 117,212; May, 244,345; June, 276,372. At the beginning of the British and French offensive in July about 250,000 American troops were engaged, with the balance in reserve; by the middle of August the total embarked from the United States for service in France, Italy, and Siberia, included 1,450,000 men—the Siberian expedition numbering 7,500 men all told. In September the War Department stated that 2,700,000 more men would be called—mostly from the 19 to 20 and 32 to 36 classes and that the maximum strength of the fighting forces would then be 4,800,000. About the time of the Armistice the United States (Nov. 1st) was officially stated to have 1,950,100 men on the Western front; the British, French and Belgians, with a few Portuguese, were put at 4,477,000.*

Such were the facts as to the Army which the United States raised and equipped and placed in the field in about a year and a half. Of the total about 400,000 were sent over in the first year. As to the character of this Force there were many rumours through Allied countries, and many of them were enemy propaganda. Few of the troops ever went to England, nearly all were landed in France. The number of Courts-Martial, as reported in December by the Judge-Advocate-General, was 12,357 of which 88 per cent. resulted in convictions with 16,307 offences charged. The desertions were 3,271; few death sentences were imposed and none carried out for purely military offences. Out of the registration of 10.000,000 only 5,870 arrests had to be made for failure to report; of anti-conscription agitators 343 prosecutions were reported with heavy penalties imposed in all convictions. The burdens of the Secretary of War were tremendous in this period; criticisms were many and some were justified. But, upon the whole, Mr. Baker's administration effected or helped to effect the object aimed at and

*Note.—These figures were given by General P. C. March, U. S. Chief of Staff, as being the "ration strength" and including non-combatant services.

success may be left to decide the issue. He was in France during the great German drive and it was after his return that men and munitions began to stream across the Atlantic in tremendous numbers and quantities.

The American Financial War Record. The Report of the Hon. W. G. McAdoo, Secretary of the Treasury, for the fiscal year of June 30th, 1917, dealt with preliminary War expenditures only. The total Receipts were $1,118,182,978, the total Expenditures $1,147,898,991; in the first full year of War the Receipts were $4,172,635,828 and Expenditures $7,823,054,443; in these totals the expenditure upon Military establishment increased from $401,418,331 in 1917 to $5,645,584,931 and on Naval establishment from $257,166,437 to $1,368,642,793; the National Debt rose from $3,128,597,610 to $12,396,607,744. By Sept. 1st, 1918, and taking the figures from April 1st, 1917, a few days before the beginning of war, the total receipts from all sources—revenue Loan-bonds, sale of short-term certificates, etc.—was $27,838,264,162; the disbursements included ordinary and war expenses of $10,611,071,906, retirement of Treasury Certificates $9,409,142,206, and advances to Foreign Governments $6,245,764,750. This latter total was 8,000 millions by the end of the War with additional amounts pending of 1,500 millions.

In his statement to Congress on Nov. 14th, 1918, Mr. McAdoo estimated the Government's expenditures for the year of June 30th, 1919, at $18,000,000,000. To meet these and other liabilities—past and future—the Government estimated the real and personal property of the United States at from 220,000 to 250,000 millions; meanwhile, there was a vast amount of accumulated wealth in the country owing to its trade and production before entering the war—the total Imports of gold from Aug. 1st, 1914 to Dec. 31st, 1918 being $1,776,616,000 and the Exports of gold $705,210,000 or a balance, within the country, of 1,000 millions. Meantime heavy taxes had been imposed in every direction—incomes, excess profits, war profits, Transportation interests, telegraph and telephone messages, insurance, theatre admissions, club dues, automobiles, sporting goods, luxuries, gasoline, yachts, beverages, stamps, cigarettes, cigars, tobacco, snuff, capital stock, brokerage, theatres, billiards, bowling, pool and shooting establishments, business licenses, motorcycles, etc., were all taxed as were partnership profits and estates. By the close of 1918 the National Debt was $17,000,000,000, the War had cost to date 24,000 millions, the issues of War Loan bonds had resulted as follows:*

Loan.	Interest.	Amt. Asked	Amt. Subscribed.
1st Liberty Loan	3¼%	$1,500,000,000	$3,035,226,850
2nd Liberty Loan	4 %	3,000,000,000	4,617,532,300
3rd Liberty Loan	4¼%	3,000,000,000	4,170,019,650
4th Liberty Loan	4¼%	6,000,000,000	6,989,047,000
*Total		$13,500,000,000	$18,811,825,800

*Note.—Popular subscriptions to the Red Cross in this period totalled $200,000,000.

The United States Navy in the War. There were two branches of American Naval activity in 1917-18 and it is probable that the ship-building branch of it was the most important. To meet the Submarine situation the vital requirement of the year was ships and more ships; the defensive or aggressive side was handled with sustained and wonderful skill by the British Naval authorities. But, as the months of 1918 progressed, more food supplies, more munitions, more men had to be carried across the Atlantic and, as the American troops increased, the supplies, etc., had, also, to increase. Hence the regrettable nature of the disputes which had nullified the shipping policy of 1917 and thrown all the burden of production upon the first months of 1918 under the auspices of a new Shipping Board of which Edward N. Hurley was Chairman; hence the greatness of the task in acquisition or construction of ships which lay before Mr. Hurley and his Board. They had to build the ships, find and hold the constructive labour, obtain the materials and the men to man the ships; the Navy Department under Hon. Josephus Daniels, as Secretary, had to get and train its seamen for the fighting Navy and build its ships under a separate system. In the fiscal year 1916, American production of trade shipping was 1,030 ships of 347,147 gross tons; in 1917 the total was 1,546 ships of 812,659 tons; and in the 12 months ending June 30th, 1918 there were 1,622 new ships constructed of 1,430,793 gross tonnage. One half of this latter output was produced in March-June, 1918.

The actual constructive agency of these operations was the Emergency Fleet Corporation of which, on Apr. 16th, 1918, the President appointed Charles M. Schwab, the millionaire steel-maker and ship-builder as Director-General and he ran it thereafter as a great business enterprise in co-operation with the Shipping Board. Up to this time (Mch. 1) the Corporation had expended $353,-247,955 while the Shipping Board had seized and utilized 118 German and Austrian ships in United States waters and, a little later, taken over 81 Dutch ships and held other ships as required. Mr. Hurley stated on June 10th that, including construction and acquisition since April, 1917, over 2,700,000 gross tons had been added to the American merchant marine. His programme for the near future called for the building of 1,856 passenger, cargo, and refrigerator ships with tankers, wooden and other barges, etc., aggregating 8,000,000 gross tons. For the years, 1918-1920, 5,000 million dollars would be required and the net result would be a merchant fleet of 15,000,000, gross tons—described as the greatest in the world! Meantime, the Shipping Board had been training workmen for the yards and seamen for the ships and in the first year of war had recruited a force of 250,000 highly-skilled mechanics as a reserve to the 236,000 at work.

On July 4th Messrs. Hurley and Schwab had arranged for a spectacular launching of 100 ships, of about 350,000 tons, from the various shipyards of the country. Mr. Daniels, speaking in New York on that date, declared that: "We are launching to-day more than the Germans sank of the ships of all nations in the last month for which we have official figures. The recent enemy Submarine

activities off our coast resulted in the loss of 25,411 gross tons of American shipping. During this same time 78,000 gross tons of shipping were built. To-day there will also be launched 14 new destroyers, and scores more will be launched and commissioned before the end of the summer, with an increasing number thereafter until these best foes of the Submarine, in co-operation with the craft of Allied nations, will free the world forever of the assassins of the seas." The second Annual Report of the Shipping Board showed its ownership of 455 new ships of 2,648,892 deadweight* tons; 59 former German vessels of 343,206 tons, 6 former Austrian vessels aggregating 35,262 tons and 36 other ships of 137,248 tons. Of the 81 Dutch vessels taken over under Presidential proclamation, 52 of 236,340 tons were managed by the Shipping Board and the others by the Navy. There were 328 foreign ships of 1,366,361 tons under charter to the Board and 450 American ships of 2,910,766 tons under requisition, making a total fleet of 1,386 vessels aggregating 7,498,075 deadweight tons owned, managed or chartered by the Shipping Board.

As to the Naval construction, proper, statistics were not made public. The Department was officially stated to have placed contracts for 1,000 vessels in the first year of the War but without details as to their nature and it also supervised the repairing of the German-Austrian ships. By taking the ships and men of the Coast Guard into the fleets, by the merging of Naval Volunteers and Naval Militia, and with the growth of the Marine Corps, the Navy multiplied its forces practically five times during this period. Within a short period of April 6th, 1917, a flotilla of American destroyers had reached a British port and Admiral W. S. Sims had taken his place in the Allied Naval Council. The convoying of troops did not begin till June but there was plenty of occupation for the Fleet and its auxiliaries in guarding the coasts, in equipping and operating patrol vessels, in placing armed guards and armament on merchant ships. During the succeeding year of war the Navy increased its sailors by 132,000, its reserve forces by 80,000, its Marine Corps by 27,000, its Hospital Corps from 1,600 to 8,000, its mechanics at Navy Yards from 35,000 to 66,000, its expenditures from 30 millions a year to 600 millions. A large part of the appropriations and much of the construction were devoted to Destroyers and Submarine-chasers; some immense battle-ships and cruisers of 35,000 tons displacement were also under way. The strength of the Navy on Mch. 23rd, 1918 was as follows:

Particulars.	Enlisted Men.	Officers.	Total.
Navy	193,483	7,798	201,281
Reserves	80,726	10,033	90,759
Marine Corps	38,629	1,389	40,018
National Naval Volunteers	15,000	805	15,805
Coast Guard	4,250	639	4,889
Total	332,088	20,664	352,752

*Note.—A deadweight is the American measure and represents 3/5 of the gross ton which British use has made the international factor.

The Transport service, which became so great and vital in the second year of war, was under the direction of Rear-Admiral Albert Gleaves and the British shipping which saved the situation, so far as getting the Army over the seas was concerned, came under his control by mutual arrangement. Other elements of war-work which Mr. Daniels had to supervise, as Secretary of the Navy, included repairs of countless vessels, development of Naval aviation in sea-planes, flying-boats, dirigibles and balloons, the evolution and construction of submarine chasers, the building of patrol-boats, the construction of six new battleships of 41,500 tons, the expansion of Ordnance in manufacture and shipment and storage, the oversight of yards and docks, inventions and *personnel,* medical conditions and training. There was, also, the construction of thousands of mines for American harbours and other thousands of special design for the great British mine-field in Northern waters. Hon. F. D. Roosevelt, Assistant Secretary of the Navy, stated on Oct. 22nd that American battleships had formed a Division of the British Fleet and held a responsible part of the line; that a large naval *personnel* was also on shore in France with more American stations there than in England; that a series of bases had been established on the West coast of France for naval repairs and the upkeep of shipping; that American Aviation stations had been organized all the way from the Spanish border around the English and other coast lines and covered with most effective seaplanes and dirigibles; that a large patrol system was kept on the French coast and a considerable Naval force at Gibraltar in co-operation with the British; that in Italy there was a Flying (Naval) School and in the Adriatic a large group of submarine chasers and other vessels; that in the Azores there was a considerable base in co-operation with the Portuguese while 8,000 American Marines had been thrown into the Chateau Thierry fight and had done splendid service. An official statement of Sir Eric Geddes, 1st Lord of the British Admiralty, issued on Oct. 14th, paid high tribute to these services:

I can assure the public that American *morale* and efficiency is absolutely on the top line. Not only is the keenness, technical skill, and organization of the *personnel* truly remarkable, but, further, the material of all ships and their equipment is of the highest efficiency and latest design. What applies to your fighting ships applies also to your depôt and parent ships. Your battleships are working with our own Grand Fleet with the most perfect co-ordination and efficiency. As regards your cruisers, they are working with us in the White Sea, North Sea, Atlantic, and Mediterranean, and I have seen them and admired their efficiency in all these places. It is to them, as well as to the gallant little destroyers, working with the corresponding forces of all the Allies, that the success of the convoy system is due. It is the convoy system which balked Germany when she adopted avowedly the inhuman and ruthless method of Submarine warfare. I have both travelled in and been escorted by American destroyers and I know their high standard. They are an essential part of the fighting strength of the Fleet and, together with the cruisers, they are the watchdogs of the Allied trade and terror of the U-boat. What I have said applies also to your submarines and chasers.

Addressing the Naval Affairs Committee at Washington on Nov. 20th, Mr. Secretary Daniels stated that the completion of the first three-year programme and the carrying out of his present recommendations would give the American fleet 32 new capital ships or 51 dreadnoughts which would place the Navy in second place and close to Great Britain. On the 22nd a Washington press despatch stated that there were 19 United States dreadnoughts and that five more would be built by July, 1920 together with 350 new destroyers. In his annual Report published on Dec. 8th, Mr. Daniels made a sustained appeal for continued Naval expansion. He first stated that on Oct. 1st there were 338 United States Naval ships abroad, with 5,000 officers and 70,000 enlisted men, or a greater force than the total strength of the Navy when war was declared and that the American fighting craft had steamed an average of 626,000 miles per month in the war zone. This was exclusive of war-ships on escort duty. He gave no specific credit to British troopships and convoys but dealt with pride upon the great naval operation of convoying 2,000,000 troops to Europe without loss by enemy action. As to this General Pershing pointed out in his final Report of Nov. 20, 1918, that 924,578 troops had been carried under American convoy in American vessels. He also stated that at the Abbeville Conference of May 2nd "an agreement was reached by which British shipping was to transport 10 American Divisions to the British army area where they were to be trained and equipped and additional British shipping was to be provided for as many Divisions as possible for use elsewhere."

The idea of naval expansion was strongly pressed—partly at this time because of the Freedom of the Seas issue which had been raised by the Germans from their viewpoint of German control of the Seas and by President Wilson, before the United States entered the War, from the American outlook as a neutral Power resenting any check upon its international trade or transport of goods overseas. Rear-Admiral C. J. Badger, Chairman of the U. S. Naval Board, told Congress on Dec. 12th that: "The Board believes that under the present world conditions and the conditions likely to obtain in the future the United States Navy should steadily continue to increase. Ultimately, it should be equal to the most powerful maintained by any other nation of the world." On Dec. 31 Mr. Secretary Daniels told the House Naval Committee that: "If the Conference at Versailles does not result in a general agreement to put an end to Naval building on the part of all nations, then the United States must bend her will and energies, must give her men and her money, to the creation of incomparably the greatest Navy in the world."

Mr. Daniels in his Report dwelt upon the splendid record of the marines, the laying of the 250-mile North Sea mine barrier, the building and manning of the 14-inch rifle naval batteries which fought with the armies in France—"the largest and most powerful mobile land artillery in the world." The depth-bomb had been improved by American ingenuity, the perfecting of 16-inch rifles

for new battleships would make them the heaviest armed craft in the world, the construction was in hand of the first electric-driven battleship—the *New Mexico*. The Report showed that four battleships, one battle cruiser, two fuel ships, one transport, one gunboat, one ammunition ship, 223 destroyers, 58 submarines, 112 fabricated patrol boats (Eagles) including 12 for the Italian Government, 92 submarine chasers, including 50 for France, 51 mine sweepers, and numerous tugs and harbour craft were contracted for during the past year. The actual additions to the Navy during this war-period included two battleships, 36 destroyers, 28 submarines, 335 submarine chasers and 13 mine sweepers. A later Report from the Navy Department showed that in October, 1918, the American Navy was operating 1,959 vessels of all descriptions and of these 264, with 46,000 men, had actively shared in the War.

The American Troops in Active Warfare. In the first part of the year American soldiers in France were not in very large numbers but, at the critical time of the German offensive in March, about 250,000 men were available out of the gradually-growing reserve in training; three months later continuous training and the swift movement of men across the Atlantic were having their effect and, probably, 500,000 men took an active part in the Foch offensive. Major-General John J. Pershing was the Commander-in-Chief and his co-operation with the British, French and Italian Commanders, his after-acceptance of Marshal Foch's supreme authority, appear to have been complete and effective. His men while in training, or in its later stages, were brigaded for a time with the British and French and took part in certain local combats and in varied trench experiences between October, 1917 and April, 1918. On March 28th when the General placed his forces at the disposal of Marshal Foch he had four Divisions fit for immediate service and the 1st was, on Apr. 26th, sent to the Montdidier salient in Picardy.

General Pershing described* the first engagement of this force as follows: "On the morning of May 28 this Division attacked the commanding German position in its front, taking, with splendid dash, the town of Cantigny and all other objectives, which were organized and held steadfastly against vicious counter-attacks and galling artillery fire. Although local, this brilliant action had an electrical effect as it demonstrated our fighting qualities under extreme battle conditions." At this date also the 3rd Division was sent to the Marne: "Its motorized machine-gun battalion preceeded the other units and successfully held the bridgehead at the Marne, opposite Chateau-Thierry. The 2nd Division, in reserve near Montdidier, was sent by motor trucks and other available transport to check the progress of the enemy toward Paris. The Division attacked and retook the town and railway station at Bouresches and sturdily held its ground against the enemy's best Guard divisions. In the Battle of Belleau Wood, which followed, our men proved their superiority and gained a strong tactical posi-

*Note.—Official Report to U. S. Secretary of War, Nov. 20, 1918.

tion, with far greater loss to the enemy than to ourselves. On July 1, before the Second was relieved, it captured the village of Vaux." Meantime, the Divisions brigaded with the British and held in reserve, had been organized into the 2nd Corps and sent to Lorraine with a position near to the Paris area. The General's description of the Chateau-Thierry action, in which he supported a great French counter-offensive was as follows:

> The 3rd Division was holding the bank of the Marne from the bend east of the mouth of the Surmelin to the west of Mézy, opposite Chateau-Thierry, where a large force of German infantry sought to force a passage under support of powerful artillery concentrations and under cover of smoke screens. A single regiment of the 3rd wrote one of the most brilliant pages in our military annals on this occasion. It prevented the crossing at certain points on its front while, on either flank the Germans, who had gained a footing, pressed forward. Our men, firing in three directions, met the German attacks with counter-attacks at critical points and succeeded in throwing two German Divisions into complete confusion, capturing 600 prisoners. The great force of the German Chateau-Thierry offensive established the deep Marne salient, but the enemy was taking chances, and the vulnerability of this pocket to attack might be turned to his disadvantage.
>
> Seizing this opportunity to support my conviction, every Division with any sort of training was made available for use in a counter-offensive. The place of honour in the thrust toward Soissons on July 18th was given to our 1st and 2nd Divisions in company with chosen French Divisions. Without the usual brief warning of a preliminary bombardment, the massed French and American artillery, firing by the map laid down its rolling *barrage* at dawn while the Infantry began its charge. The tactical handling of our troops under these trying conditions was excellent throughout the action. The enemy brought up large numbers of reserves and made a stubborn defence both with machine guns and artillery, but through five days' fighting the 1st Division continued to advance until it had gained the heights above Soissons and captured the village of Berzy-le-Sec.

On July 22nd the French occupied Chateau-Thierry. The succeeding advance of the Americans was steady. Vierzy, and then Tigny, the heights of Mont St. Père, the villages of Chartéves and Jaulgonne were captured, the crossing of the Marne effected; the 42nd Division crossed the Ourcy, other Divisions advanced at other points in harmony with similar French action and captured the heights beyond Clérges, Hill 230 and Serge fell before their smashing blows, the enemy was pursued across the Vesle and the Salient was subdued. Nine Divisions and the 1st Corps were specified by General Pershing as sharing in the struggle. The second great fight of the Americans in this War was, perhaps, the greatest in American history—the reduction of the St. Mihiel Salient. For this enterprise the 1st Army had been organized on Aug. 10th under the direct command of General Pershing and on the 30th took over the first American sector of the line running from a point east of the Moselle to a point opposite Verdun. Later it was extended across the Meuse to the Argonne Forest. The concentration for the surprise attack upon St. Mihiel included 600,000 men and all the equipment and elements of a great modern Army. The attack was described by the General as follows:

> After four hours' artillery preparation, the seven American Divisions in the front line advanced at 5 a.m. on Sept. 12th assisted by a limited num-

ber of tanks manned partly by Americans and partly by French. These Divisions, accompanied by groups of wire-cutters and others armed with bangalore torpedoes, went through the successive bands of barbed wire that protected the enemy's front line and support trenches, in irresistible waves on schedule time, breaking down all defence of an enemy demoralized by the great volume of our artillery fire and our sudden approach out of the fog. Our 1st Corps advanced to Thiacourt, while our 4th Corps curved back to the southwest through Nonsard. The 2nd Colonial French Corps made the slight advance required of it on very difficult ground, and the 5th Corps took its three ridges and repulsed a counter-attack. A rapid march brought reserve regiments of a Division of the 5th Corps into Vigneulles in the early morning, where it linked up with patrols of our 4th Corps, closing the salient and forming a new line west of Thiaucourt to Vigneulles and beyond Fresnes-en-Woevre. At the cost of only 7,000 casualties, mostly light, we had taken 16,000 prisoners and 443 guns, a great quantity of material, released the inhabitants of many villages from enemy domination, and established our lines in a position to threaten Metz.

It may be added that French artillery and a great French and British Air Force gave much assistance. Following this action a steady advance occurred along the Meuse-Argonne line which had been taken over from the French and, from Sept. 28th to Oct. 4th, an offensive was continued which captured all kinds of difficult positions and drove the enemy steadily before the American troops. Between the last date and Oct. 10th the almost impregnable Argonne Forest was cleared of the Germans. Meantime two Divisions had fought with the British at Bellecourt and Nauroy, at Brancourt and other points, while two others were with the French near Rheims. Two more Divisions were sent to help the Belgians and took part in the October offensive in Flanders. Of the support given on the British front Field Marshal Sir Douglas Haig wrote to the American Commander a letter of thanks "for the very gallant and efficient service you have rendered during your operations with the British 4th Army." He added these words: "On the 29th of September you participated with distinction in a great and critical attack which shattered the enemy's resistance on the Hindenburg line and which opened the road to final victory."

The services of 8,000 American Marines around Rheims, at the Battle of Bois Belleau, and in the Champagne struggle, must also be mentioned. On Oct. 14-18 fierce fighting occurred along the Meuse-Argonne front, along the strong Kriemhilde line, and a steady advance ensued with many prisoners taken. The final stage of this offensive began on Nov. 1st and a number of important villages and centres were captured; the Meuse was crossed on the 5th and on the 6th the Americans reached a strategical point opposite Sedan with the enemy's lines of communication cut and surrender inevitable; 26,000 prisoners and 408 guns had been captured on this front, 40 enemy Divisions engaged and 21 American. A 2nd American Army had, meanwhile, been constituted under Lieut.-Gen. Robert L. Bullard, with the 1st placed under Lieut.-Gen. Hunter Liggett and a final advance on Sedan, in the direction of Longwy and the rich mines of Briey, was under way on Nov. 11th when the Armistice was signed. At the time of his Report (Nov. 20th) General Pershing gave the following figures as to American

forces: "There are in Europe altogether, including a regiment and some sanitary units with the Italian Army and the organization at Murmansk, also including those *en route* from the States, approximately 2,053,347 men, less our losses. Of this total there are in France 1,338,169 combatant troops. Forty Divisions have arrived, of which the infantry *personnel* of 10 have been used as replacement, leaving 30 Divisions now in France organized into three Armies of three Corps each. The losses of the Americans up to Nov. 18th are: Killed and wounded, 36,145; died of disease, 14,811; deaths unclassified, 2,204; wounded, 179,625; prisoners, 2,163; missing, 1,160. We have captured about 44,000 prisoners and 1,400 guns, howitzers, and trench mortars."

The successive Chiefs of Staff at Washington during this War period of 1½ years were Maj.-Gen. H. L. Scott, General Tasker H. Bliss, Maj.-Gen. John Biddle, General Peyton C. March. A word must be said here as to the magnificent war-works constructed in France during the first six months of 1918. They included a great line of modern docks and warehouse systems, motor operation and cold-storage plants, vast quarters for Ordnance, Aviation and other stores and supplies, extensive railway yards, and assembly yards to handle all-steel cars shipped over in parts. There were great inland bases also and lines of communication. In estimating the place of the Americans in this last great campaign and finding a proportionate place in the result it will be remembered that the troops were fresh, spirited, enthusiastic, the pick of a great nation new to the struggle. On the other hand the Allied armies fighting along other and equally strong sectors, were war-weary, with many youths and elderly men in their ranks, and with bodies racked by years of fighting, spirits shattered by such experiences as no soldiers in the world's history had ever gone through. Yet they had broken the Hindenburg Line and smashed the greatest fortifications of all time. The Americans did splendidly, won their spurs like men; but nothing less than playing a great part well was expected and nothing more could be done. The War was won when the French at the Marne, for the third time, blocked the road to Paris and when the British with their backs to the wall for the last time blocked the path to Calais. Nevertheless the campaign was one worthy of the United States and of the words* which many had in mind as they streamed across the Atlantic and fought over the fields of France:

Thank God, our liberating lance
Goes flaming on the way to France!
To France—the trail the Ghurkas found!
To France—old England's rallying ground!
To France—the path the Russians strode!
To France—the Anzacs' glory road!
To France—where our Lost Legion ran
To fight and die for God and man!
To France—with every race and breed
That hates Oppression's brutal creed!

*Note.—Written by D. M. Henderson of Maryland.

Food, Fuel and Railway Problems. Great work was done in part of the American War period along lines of food production, conservation and export. Much of this record, in its effective results, was due to the labours of H. C. Hoover as Food Administrator and to the fact that large powers were given him with a substantial degree of force and law behind them. Something must be said, also, of the continuous efforts and organization work of Hon. D. F. Houston, Secretary for Agriculture. Much could be said as to the earnest co-operation of a part, and the reckless indifference of another part, of the people. At the close of the first year of war Mr. Hoover estimated that the home consumption of wheat was 15 per cent. below the pre-war period—and, it may be added, this process of increased production and decreased consumption did not await an American declaration of war. Official figures showed that from July 1, 1914, to Mch. 1, 1918, the United States exported to Europe enough food to ration, completely, 60,000,000 people, with an additional protein ration for 23,000,000 more.

The total exportations of wheat and wheat-flour (in terms of wheat) to England, France, and Italy in this period were 526,059,000 bushels, or an annual average of 143,471,000 bushels. So with pork and beef and dairy production. The production of wheat in 1917 was 650,828,000 bushels and in 1918 918,920,000; barley increased by 28 million bushels, rye by 16 millions, apples by 23 millions, beef by 1 million pounds, pork by 2 millions. During 1917-18 much was done by Executive action to support Mr. Hoover. On Aug. 14th, 1917, the President had authorized the creation of the Food Administration Grain Corporation with a capital stock of $50,000,000, owned by the Government, and on Sept. 4th it opened offices for the purchase and handling and shipment of wheat on a large scale; the Food Administration had also ordered all wheat and rye millers and large elevators to obtain licenses and, on Aug. 30th, all food-trades were put under license with 18,000 grocers, doing a business of $100,000 and over, licensed in 1918; various restrictions as to sale, rules regarding distribution, laws as to composition of standard foods, were put in force; pledges as to economy and restriction were invited and obtained to a total of ten millions, voluntary rations were inaugurated in 1918 and wheatless, meatless, heatless days established in every week or other specific period.

Mr. Hoover issued many appeals for economy and support, as he put it on Mch. 7th, "in sending our armies and the Allies as much as we can of concentrated nutriment which, in the shortage of shipping, take the least vessel room—wheat, beef, pork, dairy products, sugar." In June, 1918, the capital stock of the Grain Corporation was increased to $150,000,000 and the turnover reported in grain, flour, beans, etc., stated at $450,000,000 for the past year. Mr. Hoover was not as far-seeing in War matters as he was efficient in administration and, on Sept. 23rd, asked the public for larger supplies to meet conditions in 1919 because there was "no prospect of the War ending before the summer campaign" of that

year. However, much of the estimated requirement stood good in either War or peace conditions of this time and the following table is of permanent value:

Shipped Products.	3-Year Pre-war Average	Year Ending July 1, 1918	Must ship Year of July 1, 1919.
Meats and fats (beef, pork, dairy, products and vegetables, oil products)	645,000	1,550,000	2,600,000
Breadstuffs (wheat and substitutes in terms of grain)	3,320,000	6,800,000	10,400,000
Sugar (from U. S. and West Indies)	618,000	1,520,000	1,850,000
Feed grains (mostly Army oats)	950,000	1,950,000	2,700,000
Total	5,533,000	11,820,000	17,550,000

Mr. Houston and the Department of Agriculture, meanwhile, had carried through Congress much legislation along food lines and enacted many regulations and provisions—the sale of seed for farmers, the encouragement of production in foods, feedstuffs and live-stock, the special training of men for farm work, the eradication of cattle diseases, the control of injurious weed seeds, and destructive plant-diseases, the operation of a nation-wide market news service, the chemical examination of food supplies for the Army and Navy, the securing for the farmer of adequate labour, the oversight of meat and food inspection, the promotion of Forestry. In 1917, alone, 23,000,000 more acres were planted and 7,800,000 more horses, cattle, sheep and swine raised. An Agricultural Advisory Committee (Hon. H. C. Stewart, Chairman) was appointed and on July 20, 1918, reported in favour of furloughs for agricultural workers, of improved conditions in railway shipments of live-stock and grain, of a Government investigation of the wool and hide situation, of fixed grades and prices for wheat, of restricting types and styles in farm machinery so as to economize steel, of insistence on standardization in parts of farm implements to facilitate repairs, of increasing potato consumption and promoting war gardens, dehydration of vegetables, and encouraging vegetable forcing, of restricting the farmers' domestic supply of wheat and flour, of regulating mill-feeds, the making of mixed feeds and the use of sugar substitutes in ice-cream, of the standardization of dairy products.

Collateral to the Food problem was that of Fuel and the effort of H. A. Garfield, Fuel Controller, in 1917 to make a production of 550,000,000 tons do the work of 600,000,000 and in 1918 to continue the adjustment of prices, rates and transportation to the ever-increasing needs of War; to make the demands for warm houses and buildings and fuel for cooking, compatible with the growing calls of railways and shipping and munition or supply plants; to keep prices from soaring sky-ward. On Jan. 17th the much-discussed Order was issued temporarily suspending a proportion of the industrial plants of the United States so as to remedy the current Railway congestion; as a result of this action,

in 12 days 480 ships were conveying over two million tons of food, fuel, munitions and other war-supplies from American ports while the railways, within two weeks, reported freight movements as normal. Many restrictions and regulations followed and the country was divided into 21 producing districts and 12 consuming zones while on Apr. 1st a plan for the retail distribution of coal became effective under which the consumer had to supply certain defined information to the dealer and hoarding was checked or prevented. At the same time jobbers were regulated as to business and compensation and the early buying of coal was urged upon the public.

The War evoked a new and greatly important change in American Railway management. As a result of conditions in 1917 which involved congestion, high rates, insufficient cars, shortage in labour, difficulties of all kinds, upon Steam railways of 400,000 miles owned or controlled by 2,900 Companies with outstanding bonds and stocks of $19,600,000,000, the President and Executive of the United States took over control on Jan. 1st, 1918, as a measure of War necessity. Practically, the whole of this gigantic system and business was placed under the control and operation of a new U. S. Railway Administration with headquarters at Washington and W. G. McAdoo, Secretary of the Treasury, as Director-General, assisted by a number of experts in railways and finance and by strong working Committees on Wages, Finance, Labour and Adjustments. Amongst the specific changes made during the year was an increase in wages ranging from 43 per cent. to employees receiving lowest wages to nothing in the case of those having $250 a month; recognition of the principle of an 8-hour day and a grant of this, with time and a half for overtime, to the mechanical crafts; payment of women at same rates as men and no discrimination against negroes; an advance in freight and passenger rates based upon the higher prices of supplies and rising costs of operation; restriction of necessary railway travel and of unnecessary passenger trains, a uniform freight classification, simplification of time-tables and training of women as ticket sellers; a consolidation of terminals, standardization of freight cars and locomotives; large capital expenditures for improvements and betterments and Government advances to the Railways which totalled $203,714,050 up to July 31st, 1918; assumption of control over Pullman Car Services with lessened expenses and greater efficiency, and consolidation of the four chief Express Companies in one concern, under Federal control, with a similar result. By July 31st an improvement was shown in all branches of the new Service with the movement to date of 6,455,558 troops. On Nov. 23d Mr. McAdoo announced his retirement to take effect on Jan. 1st, 1919. The stated policy of the Board in its chief points, had been as follows:

1. The winning of the War, which includes the prompt movement of the men and material that the Government requires. To this everything else must be subordinated.

2. The maintenance and improvement of the railroad properties so that adequate transportation facilities will be provided at the lowest cost, the

object of the Government being to furnish service rather than to make money.

3. The promotion of a spirit of sympathy and a better understanding as between the administration of the Railways and their 2,000,000 employees, as well as their 100,000,000 patrons.

4. The elimination of superfluous expenditure, and the adoption of standardized equipment, improved routing of traffic along straight lines so far as possible, and intensified employment of equipment.

The Progress of Prohibition in 1918. Essentially an outcome of war conditions the progress of the Liquor Prohibition movement in this year was phenomenal. Apart from the action of Congress and as a result of State or local enactments spread over a number of years, 89 per cent. of the area of the United States was under Prohibition in June 1918 with 64 per cent. of the population. As war conditions developed and showed the need for safe-guarding millions of soldiers President Wilson and the War Department, on July 2nd, issued stringent regulations as to dry zones around all camps and forbade the sale of alcoholic liquor in any form to soldiers within these zones—medicinal supplies being permitted to physicians and medical officers. On Aug. 19th Naval regulations were also strengthened by Mr. Secretary Daniels and similar zones were established around Naval camps and stations; on Aug. 12th the sale of liquors and intoxicants was forbidden in dining cars, restaurants and railway stations under Federal control; on Sept. 19th the President issued a Proclamation that after Dec. 1st 1918, no malt liquors should be made from any kind of foodstuffs. In the United States the soldier was strongly guarded along these lines; in France he found the gates up and many ill consequences followed in the period of reaction and through failure to understand that conditions and climate suited to the use of light wines were not suited to the drinking of bad whiskey! Meantime the Senate and House of Representatives at Washington, had approved an Amendment to the Constitution of the United States and passed it on to the States for further legal action—the vote in the House on Dec. 17, 1917 being 282 to 128—as follows:

Resolved by the Senate and House of Representatives, that the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as part of the Constitution when ratified by the Legislatures of the several States as provided by the Constitution:

Section 1. After one year from the ratification of this Article the manufacture, sale or transportation of intoxicating liquors within, or the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

Section 2. The Congress and the several States shall have concurrent power to enforce this Article by appropriate legislation.

Section 3. This Article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the Legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

To become a part of the Constitution the Amendment had to be ratified by three-fourths of the 48 States; to be afterwards revoked or repealed would require a similar vote by three-fourths of the

States. By the end of 1918 fifteen States had approved Prohibition.* Tremendous pressure was brought to bear by the Liquor interests against the proposal; strong feeling was aroused in many quarters which had no sympathy with these interests and believed in Temperance, in personal liberty, or in wine or beer licenses as opposed to the sale of alcohol; large financial or other interests were involved such as those of California where $200,000,000 worth of property would be rendered useless or in New York City, where everyone understood that enforcement would be extremely difficult. The Prohibition Amendment, if carried, was to come into operation on Jan. 16th, 1920 and, meanwhile, a provisional Act of Congress had established War-time Prohibition to become effective July 1st, 1919 and to last until the President should declare demobilization of the armies complete.

The Progress of United States Aviation. No issue received greater public attention in 1917 than American pledges as to Aviation; no incident caused more disappointment abroad than the failure of expectations in this regard. The War was to be won in the air, it was everywhere said for a time, and American ingenuity, brains and industry would provide the basic elements—aircraft and airmen! There was no question as to the utility of aeroplanes and none as to the necessity. Prior to the American declaration of War there was no preparation along these lines, and S. G. Blythe in the *Saturday Post* of Jan. 19th described the situation as follows when it actually came: "We had no battle-planes. We had no bombing-planes. We had no high-powered engines. We had no aeroplanes equipped with the numerous devices war had developed on the other side. We had 135 aeroplanes, useful for training and so on, but of no other value whatsover. Congress was quick to recognize the importance of this new branch of the Service and promptly passed a law giving broad powers to the Signal Corps and appropriating $640,000,000 for aircraft, *personnel*, equipment and the expense of an Air campaign. But we had no idea what to build. We had no standards to go by; we had no model planes; we had no drawings. We had nothing."

The United States Air Service Board was created on July 24th, 1917, but great difficulties and delays developed—in the obtaining of skilled labour, in the getting of material, especially spruce, in the ambition to have a new and unexcelled engine, in obtaining lubricant oils, acetone and linen fabrics. On Jan. 31st, 1918, it was reported to Congress that not a single machine of the exact type planned when Congress appropriated $640,000,000 in May for an Air fleet would see service in France, but that four types of machines were being manufactured—elementary training, advanced training, combatant and bombing. Contracts had been let for 5,350 of the elementary type, first used by the students, and 2,153 had been completed while contracts had been awarded for 1,400 of the advanced training type. Information about the combatant and

*Note.—Early in 1919 a sufficient number voted favourably to carry the Amendment.

bombing craft was withheld. Contracts for the Service, however, were stated to exceed the $640,000,000 appropriation. Following this report the Senate Military Affairs Committee described conditions on April 10th as a "disappointing failure" and declared that the Government had "no broad plan looking to the future development of war planes." It was stated that only 15 aeroplanes had been completed and that only one of these was in France.

To a public which had been promised 22,000 aeroplanes nearly a year before, these statements were incomprehensible and even the assurance that a wonderful Liberty motor had emerged from the experimental stage, that on Dec. 31st, 1917, there were 3,900 officers and 82,120 men in the U. S. Air Service, that many training stations were in operation with 24 Flying-fields available, was not satisfying. In the press and in Congress a demand for investigation developed and it appeared that up to February the United States had been purchasing from the Allies such planes as its forces or aviators were using in France—totalling from December, 1917, to June, 1918, 2,114 planes. The first American shipment took place in the latter month and, on June 30th, it was semi-officially announced at Washington that 1,316 American aeroplanes were on the Western front, though of these only 323 were combat planes. A later official report for this date gave the number of Aviation officers as 14,230 and of men 124,767, with 18,000 flyers in or awaiting training.

In July a Senate Committee reviewed and enquired into Aeroplane conditions and the cause of the delays and reported on Aug. 22nd that the original Aircraft appropriation of $640,000,000 had been "practically wasted" and that not a single American-made offensive aeroplane was yet on the battle-front; that there had been failure to adopt proved foreign planes and motors, together with unsystematic and ineffective organization; that domination of the Air programme by automobile manufacturers had been allowed while various plans had been partly carried out and then abandoned; that there had been undue delays in perfecting the Liberty motor, incompetence in the highly-paid inspection service and supervision, and failure to encourage aeroplane producers. The Committee deplored the refusal to use the Rolls-Royce motor or to accept French plans and criticized the various futile efforts of inexperienced men to produce superior types. There were many trails of graft indicated. Meantime President Wilson had received in March a confidential report on the situation from Gutzon Borglum and on May 13th appointed the Attorney General, T. W. Gregory, and Charles E. Hughes of New York as a Committee of Inquiry. The Commissioners spent 5 months upon the investigation and reported at great length and in much detail on Nov. 6th. A brief summary of conclusions may be given as follows:,

1. The defective organization of the work of Aircraft production and the serious lack of competent direction of that work by the responsible officers

of the Signal Corps, to which the delays and waste were chiefly due, were matters for Administrative correction.

2. The evidence disclosed conduct, which, although of a reprehensible character, could not be regarded as affording a sufficient basis for charges under existing statutes, but there were certain acts shown, not only highly improper in themselves, but of especial significance, which should lead to disciplinary measures. In this connection several officials were named.

3. The absence of proper appreciation of the obvious impropriety of transactions by Government officers and agents with firms or corporations in which they were interested, compelled the conclusion that public policy demands that the statutory provisions bearing upon this conduct should be strictly enforced: "It is therefore recommended that the officers found to have had transactions on behalf of the Government with corporations, in the pecuniary profits of which they had an interest, should be prosecuted.

Late in December the annual Report of the War Secretary included one from Major-Gen. W. L. Kenley, Director of Military Aeronautics, which dealt with the failure in the first year as based upon poor organization and described in general terms the progress made after the Aviation Section of the Signal Corps had been reorganized in April, 1918, into the Bureau of Aircraft Production and the Division of Military Aeronautics. John D. Ryan, Director of the Bureau, also reported in December that the total shipments of Liberty motor engines to June 30th was 12,635, that the total battle-planes produced to that date were 541 and training planes 5,524; that the spruce shipped for Aeroplane construction was 65,124,586 feet while fir shipments totalled 25,397,490 feet; that the appropriations to date were $682,646,067 and the cash expenditures $373,318,388 but that the total of all obligations in production, acquisition of plants, building-construction, training and maintenance was $751,750,640.

Administration of President Wilson; U.S. Diplomacy and Politics

Woodrow Wilson was a world figure in 1918, and held a position in the councils of the nations and in the conduct of the World War which was fully as important as the position of his country, in its combination of national strength and fresh resources, at a great crisis in history. By this time his skill as an American politician and leader, the literary excellence and ability of his written documents, his capacity for using phrases and words which became the core of international discussion, his personal and arbitrary exercise of power in controlling American legislation and administration, were known everywhere. On Jan. 8th, 1918, he made one of his important speeches and presented to Congress the 14 points for Peace negotiation* which were afterwards discussed in all the combatant countries and seized upon by Germany, in particular, as a basis for negotiation and hoped-for security: "We entered this war because violations of right had occurred which touched us to the quick and made the life of our own people impossible unless they were corrected and the world secured, once for all, against their recurrence. What we demand in this war, therefore, is nothing peculiar to ourselves. It is that

*Note.—See Pages 95-96 of this volume.

the world be made fit and safe to live in; and particularly that it be made safe for every peace-loving nation which, like our own, wishes to live its own life, determine its own institutions, be assured of justice and fair dealing by the other peoples of the world, as against force and selfish aggression."

This speech was a great document in history and it was so regarded by all parties in the Republic and by all countries in the Alliance—whether or not they agreed with such references as those to the freedom of the seas, to Free trade, or to the League of Nations plan. His further address to Congress on Feb. 11th extended the aims of this speech in the light of world comments and needs and its 4 conclusions or summaries were practically accepted by all the nations associated with the United States—if they were not actually discussed and arranged before delivery! One statement was of special interest in view of after-time developments in Italy and elsewhere: "All the parties to this war must join in the settlement of every issue anywhere involved in it; because what we are seeking is a peace that we can all unite to guarantee and maintain, and every item of it must be submitted to the common judgment whether it be right and fair, and an act of justice, rather than a bargain between sovereigns. The United States has no desire to interfere in European territorial disputes. She would disdain to take advantage of any internal weakness or disorder to impose her own will upon another people."

On Mch. 21st the President authorized the taking over of 81 Dutch vessels held in United States ports, on the ground of repudiation by Holland, under German pressure, of an agreement previously come to; on Mch. 25th he sent to F. M. Sir Douglas Haig a despatch expressing "warm admiration of the splendid steadfastness and valour with which your troops have withstood the German onset and the perfect confidence all Americans feel that you will win a secure and final victory"; a little later Liberty Day was proclaimed for Apr. 26th and all Americans asked to assemble and pledge anew their financial support to the War. In his Liberty Loan speech at Baltimore on Apr. 6th, the President dealt at length with the self-revelation of German policy shown in Russia, denounced the German statesmen as desiring only "dominion and the unhindered execution of their own will" in that country and spoke of this, to him, movement of utter disillusionment! On May 20th, in opening the Red Cross campaign for a second $100,000,000, Mr. Wilson went the full length of war advocacy: "The first duty, the duty that we must keep in the foreground of our thought until it is accomplished, is to win the War. I have heard gentlemen recently say that we must get 5,000,000 men ready. Why limit it to 5,000,000? I have asked the Congress of the United States to name no limit, because Congress intends, I am sure, as we all intend, that every ship that can carry men or supplies shall go laden upon every voyage with every man and every supply she can carry. And we are not to be diverted from the grim purpose of winning the War by any insincere approaches upon the subject of peace." So again

to Congress, on May 27th, in urging acceptance of certain Financial proposals: "We are not only in the midst of the War, we are at the very peak and crisis of it. There can be no pause or intermission. The great enterprise must, on the contrary, be pushed with greater and greater energy. The volume of our might must steadily and rapidly be augmented until there can be no question of resisting it. If that is to be accomplished, gentlemen, money must sustain it to the utmost."

The President's Peace Ideals and Policy. At Washington on June 7th to a group of Mexican editors Mr. Wilson expressed this new idealistic formula: "The whole family of nations will have to guarantee to each nation that no other nation shall violate its political independence or its territorial integrity"; to Mr. Secretary Lansing, in connection with a Senate debate on secret diplomacy, he wrote on June 13th that: "When I pronounced for open diplomacy I meant not that there should be no private discussions of delicate matters, but that no secret agreements of any sort should be entered into." Another eloquent presentation of peace and war conditions was expressed in an address at Washington's tomb on July 4th; in it the President declared that the settling of this War must be a final one, and that no half-way decision could be tolerated or was conceivable; he summed up his policy in the declaration that "what we seek is the reign of law, based upon the consent of the governed and sustained by the organized opinion of mankind." This phrase "reign of law" received a great impetus in popular use; it had, already, been imbedded in English literature by the well-known volumes of the 8th Duke of Argyll; in Canada it was familiar to many by a pamphlet defining the subject which was issued by J. Murray Clark, K.C., of Toronto early in 1918. To attain the President's end of a reign of law on earth four points of idealistic vision were said to be vital:

1. The destruction of every arbitrary Power anywhere that can separately, secretly and of its single choice disturb the peace of the world; or, if it cannot be presently destroyed, at the least its reduction to virtual impotence.
2. The settlement of every question, whether of territory, of sovereignty, of economic arrangement or of political relationship, upon the basis of the free acceptance of that settlement by the people immediately concerned, and not upon the basis of the material interest or advantage of any other nation or people which may desire a different settlement for the sake of its own exterior influence or mastery.
3. The consent of all nations to be governed in their conduct toward each other by the same principles of honour and of respect for the common law of civilized society that govern the individual citizens of all modern states in their relations with one another.
4. The establishment of an organization of peace which shall make it certain that the combined power of free nations will check every invasion of right and serve to make peace and justice the more secure by affording a definite tribunal of opinion to which all must submit and by which every international readjustment that cannot be amicably agreed upon by the peoples directly concerned shall be sanctioned.

In September and October Austria and then Germany carried

on a diplomatic correspondence* with President Wilson *via* neutral countries which smashed all diplomatic precedents, aroused the world's intense interest and indicated the coming end of the War. It was cleverly done and aimed at making Mr. Wilson and the United States appear to stand apart from their Allies, or as the President termed them, Associated nations, and to have different objects in the War, with entirely different ideas regarding Peace terms. Its real basis was the "Peace without Victory" speech; its hope lay in the idealistic professions of the President and in severing or straining the friendly association of the Allies. In the end Mr. Wilson proved too clever dialectically for the trained diplomats who dealt with him but how far he may have forced the hands of his own Allies, or played a separate game from theirs, was not clear at the close of 1918. Speaking at New York on Sept. 27th the President dealt with the pending issues of war and peace and reiterated his past views in strong terms: "It is of capital importance that we should also be explicitly agreed that no peace shall be obtained by any kind of compromise or abatement of the principles we have avowed as the principles for which we are fighting." The price of peace was to be "impartial justice" no matter whose interests were concerned; the indispensable agency for permanent peace was a League of Nations. The following principles were enunciated:

1. The impartial justice meted out must involve no discrimination between those to whom we wish to be just and those to whom we do not wish to be just.
2. No special or separate interest of any single nation or any group of nations can be made the basis of any part of the settlement which is not consistent with the common interest of all.
3. There can be no leagues or alliances or special covenants and understandings within the general and common family of the League of Nations.
4. There can be no special, selfish, economic combinations within the League and no employment of any form of economic boycott or exclusion except as the power of economic penalty by exclusion from the markets of the world may be vested in the League of Nations itself as a means of discipline and control.
5. All international agreements and treaties of every kind must be made known in their entirety to the rest of the world.

The idealism of this speech was clear, a profound belief in the power of the United States to control issues in Europe and in coming Peace discussions along its own lines, was obvious, a certain aloofness from the traditions, racial feelings and habits of life, national limitations of thought and European ideals of development, was marked. Following this address and the correspondence with Germany in October it became clear that, able as had been the President's treatment of the issues involved, the whole incident had more or less committed him to a peace without final and absolute victory, to conditions in fact such as the appeal for an Armistice at once precipitated. To this latter policy, at a juncture when complete victory was in sight, France was opposed and the military

*Note.—See Pages 100-1 of this volume in Section dealing with Peace negotiations.

leaders strenuously and naturally objected; what pressure President Wilson brought to bear and how he persuaded Great Britain in the premises did not appear. Meantime Turkey had followed Austria and Germany in appealing to the United States President for peace over the heads of his Allies; while another breaking of precedents —since the days when autocrats sent secret personal missions abroad —was shown in the private mission of E. M. House, the President's confidential adviser, to France at the end of September. On Nov. 30th however, Mr. House with Hon. Robert Lansing, Secretary of State, Hon. Henry White, ex-U.S. Ambassador to France, General Tasker H. Bliss and the President himself, were appointed representatives of the United States at the coming Peace Conference. Then came the Armistice of Nov. 11th and, in announcing its terms to Congress, the President told the revolutionary Governments of Central Europe that they would never find the treasures of liberty for which they were searching if they looked for them by the light of the torch: "They will find that every pathway is stained with the blood of their hopes." He looked for a Peace of justice and liberty. It was announced on Nov. 18th that Mr. Wilson would, himself, take part in the Peace Conference; to this a strong political opposition was shown in the United States which European nations did not quite understand as they lacked realization of the fact that the American President remained a Party leader while acting as head of the State. To Congress on Dec. 2nd he made this statement:

The Allied Governments have accepted the bases of peace which I outlined to Congress on 8th Jan. last, as the Central Empires also have, and very reasonably desire my personal counsel in their interpretation and application. The peace settlements which are now to be agreed upon are of transcendent importance, both to us and to the rest of the world, and I know of no business or interest which should take precedence of them. The gallant men of our armed forces on land and sea have conspicuously fought for the ideals which they knew to be the ideals of their country. I have sought to express those ideals; they (the enemy) have accepted my statements of them as the substance of their own thought and purpose, as the associated Governments have accepted them; I owe it to them to see to it, so far as in me lies, that no false or mistaken interpretation is put upon them, and no possible effort omitted to realize them. It is now my duty to play my full part in making good what they (the soldiers) offered their life's blood to obtain. I can think of no call to service which would transcend this.

On Dec. 4th the President, accompanied by Mrs. Wilson and 23 members of a Commission of Experts, guarded by a battleship and 5 destroyers, and burdened with several tons of documents bearing on the European situation, sailed for France. He was officially welcomed in Paris on Dec. 14th and in his succeeding speeches emphasized the claim that the United States was fighting for more than a mere winning of the war; it desired, as he told President Poincaré at the initial function of his visit: "The establishment of eternal principles of right and justice." In the popular welcome given to Mr. Wilson by Paris there was evidence of pleasure in greeting the head of a great democratic State, in welcoming a close racial associate with the England which had stood by them so well,

in hoping for support through coming trials of complex negotiation and arrangement. Mr. Wilson's speeches of this period voiced the inherent idealisms of preceding utterances and the close student will find in all of them, whether delivered in the States, in France, or later in England, a certain aloofness from practical statecraft or from the policy of making the best of existing conditions, and a certain attitude of superiority to the men of the present as well as the diplomacy of the past—which must have been somewhat irritating to the leaders of older States. To remake Europe according to American ideals was his initial policy; time and months of discussion afterwards mellowed certain asperities which marked this preliminary attitude of December, 1918.

The President reviewed the United States troops at Humes, met and addressed the statesmen of France on several occasions and, on Dec. 26th, landed at Dover; he was greeted in London by cheering crowds said to number 2,000,000 persons and by the King and Royal family, the Cabinet and heads of the Army and Navy; with Mrs. Wilson he was the guest of Their Majesties at Buckingham Palace. The King's State banquet on Dec. 27th was a magnificent affair with, according to United States press despatches, $15,000,000 worth of gold plate in evidence and speeches by the King and the President which embodied the fraternal, racial and liberty-loving ideals of the Empire and the Republic. A luncheon by the Prime Minister and Civic functions at the Guildhall and Mansion House followed; at one of the latter Mr. Wilson declared that "the key to peace is the guarantee of peace, not the items of it." The balance of power theory and policy must, he declared, be abolished as the voice of democracy demanded. At Carlisle, on Dec. 29th President and Mrs. Wilson visited the birthplace and early home of the former's mother and his grandfather's chapel; on the 31st they were again in Paris on their way to Rome—after the President had, on the 30th, delivered at Manchester a farewell speech expressive of cordiality and appreciation for his reception in England.

President Wilson's Home Policy and Politics. Meantime Mr. Wilson had been working out the lines of war policy in his own country with powers placed in his hand and duties accruing to his position, greater than had been held by any President since the days of Lincoln. To his normal and close relation with the heads and policy of the Government Departments had now been added the innumerable new responsibilities of war—the control of Railways and of freight shipments, the supervision of policy and important action by the War Materials' Board and that of War Industries, the work of the Food and Fuel Administrations, the Shipping and Aircraft Boards, the Allied Purchasing Board and that of War Trade. So vast were the duties involved as to be practically impossible of accomplishment by one man and Senator G. M. Hitchcock (Dem.) told Congress on Feb. 4th that the President could not at one time "design and conduct our difficult and delicate foreign policy, perform the duties of commander-in-chief of the

Army and Navy, act as his own prime minister, design all the legislation for Congress to pass, dictate all the industrial, financial and political activities of the country, and look after the expenditure of $250,000,000 a week."

Of course, he did not try to do all these things but he did much and was asked to do more. During the year he was given control over Railway rates and regulations; on Jan. 19th he endorsed Mr. Garfield's Fuel curtailment order; on Feb. 15th he proclaimed control over the entire foreign commerce of the United States and made licenses necessary for all imports and exports under the War Trade Board; on Mch. 6th the War Industries Board was constituted by him with B. M. Baruch as Chairman; on Mch. 22nd he put in force a 1917 Act under which religious objectors to active service were placed behind the lines for work and certain non-combatant duties; in April he wrote Senator Overman opposing strongly a Bill to establish military courts-martial in place of existing Civil Courts; on May 7th he issued commands for an investigation into the Aircraft bungles and delays of the past year and on the 21st ordered a re-organization of the Air Service and the grant of increased powers to the Director of Military Aeronautics; to a joint Session of Congress (May 27th) he appealed for further War revenues and taxation of profits, incomes and luxuries, while asking from the people greater thrift and economy.

These functions and duties touched all elements of national work. On June 13th he wrote approving Woman's Suffrage as the legitimate reward for war services and a part of the democratic re-construction of the world; he vetoed a Bill (July 12th) which put the Government price for wheat at $2.40 on the ground that it would place an additional burden of $387,000,000 on the consumers and increase the price of flour by $2.00 a barrel; on July 24th he took over control of all wires, telegraphs, telephones and cables and named the Postmaster-General as Director of these Services; in reviewing the Judicial sentences passed upon ringleaders in the so-called Houston riots the President affirmed six death sentences because "the persons involved were found guilty, upon plain evidence, of having deliberately, under circumstances of shocking brutality, murdered designated and peaceably-disposed citizens"; he approved the proposed Constitutional Amendment extending the Federal suffrage to Women and on Sept. 30th told the Senate that this was vital to the winning of the War.

As a Party leader the President upon several occasions in 1918 fought vigorously for his own hand and the interests of the Democratic party. The vigourous attack upon the "inactivity and ineffectiveness" of the President and his Administration by Senator G. E. Chamberlain at New York on Jan. 19th evoked a keen reply from Mr. Wilson on the 21st and a strong defence of the Secretary of War. To him this criticism was "an astonishing and utterly unjustifiable distortion of the truth." Mr. Chamberlain wanted a special War Cabinet, as did Colonel Roosevelt, but the President was opposed to it as unknown to American practice and institu-

tions. A good deal of the ordinary party spirit was modified by War conditions; in State politics it was not so greatly affected and in Federal politics Mr. Roosevelt had become, once more, the leader of the Republican party. He fought, as in the past few years, for a more and more aggressive War policy and deplored the alleged unpreparedness, failures and incompetence of War management up to this year. His policy was summed up at Portland on Mch. 28th as building ships by three shifts and continuous work, preparing for a three years war and an army of 5,000,000, organizing a system of permanent preparedness with universal military training and a suffrage based on service. Senator H. Cabot Lodge, Republican leader in the Senate, set forth his Party's war and peace policy as follows on Aug. 23rd:

1. Belgium must be restored; Alsace and Lorraine must be returned to France—unconditionally surrendered.
2. Italia Irredenta—all those areas where the Italian race is predominant, including Trieste—must go back to Italy.
3. Serbia and Roumania must be established in their independence; Greece must be made safe.
4. Most important of all the great Slav populations now under the Government of Austria—the Jugo-Slavs and the Czecho-Slovaks—must be permitted to establish independent states, as also must the people of Poland.
5. The Russian provinces taken from Russia by the villanous peace of Brest- Litovsk must be restored to Russia.
6. Palestine must never return to Turkish rule, and the persecuted Christians of Asia Minor—the Syrians and the Armenians—must be made safe.
7. The victory bringing peace must be won inside, not outside, the German frontier. It must be won finally and thoroughly in German territory and can be so won nowhere else.

To these clauses Mr. Roosevelt (New York, Sept. 6th) added somewhat and declared that Poland should receive German and Austrian Poland and have her coast line on the Baltic; Northern Schleswig should go back to the Danes and Britain and Japan should keep the German Colonies conquered by them. In the first days of the Marne drive Col. Roosevelt lost his son Quentin, the Aviator, and this tinged his succeeding utterances with added keenness; Mr. Wilson's 14 Points he considered "thoroughly mischievous" and so termed them in a public Message on Oct. 23rd. "The only peace-offer," he declared, "which we should consider from Germany at this time is an offer to accept such terms as the Allies, without our aid, have imposed on Bulgaria." War should at once be declared on Turkey and the use of the President's word "Associate" instead of "Ally" abandoned. At this time the November Congressional elections came on and party spirit was lashed to the usual white-heat. In the Senate there was a Democratic majority of 18 and in the Lower House of 46 so that the President in these latter years had only to manage troublesome elements in his own party. As the contest went on, however, there were evidences of Republican success apparent and, on Oct. 25th, the President issued an appeal or Manifesto to the people with this basic thought:

If you have approved of my leadership and wish me to continue to be your unembarrassed spokesman in affairs at home and abroad, I earnestly beg that you will express yourselves unmistakably to that effect by returning a Democratic majority to both the Senate and House of Representatives. I am your servant and will accept your judgment without cavil, but my power to administer the great trust assigned me by the Constitution would be seriously impaired should your judgment be adverse. The difficulties and delicacies of our present task are of a sort that makes it imperatively necessary that the nation should give its undivided support to the Government under a unified leadership; it is clear a Republican Congress would divide the leadership. The leaders of the minority in the present Congress have unquestionably been pro-war, but they have been anti-administrative. At every turn since we entered the war they sought to take their choice of policy and the conduct of war out of my hands and put it under the control of instrumentalities of their own choosing. This is no time for either divided counsel or for divided leadership.

Two ex-Presidents, Messrs. Roosevelt and Taft, replied vigorously to this document on Oct. 31st in a signed statement. They described the President's declaration as involving War control only by Democrats who would do his will, pointed out that the Republicans had approved the Draft Bill which made a great Army possible, urged the importance of avoiding one-man power in the approval of the Peace Treaty which would require a two-thirds vote in the Senate, dealt with the Aviation scandal and objected to the 14 Points being pressed by Mr. Wilson as the opinion of the United States. He had not been re-elected in 1917 to make war and peace but because he had kept the nation out of war! The result was a Republican majority in both Senate and House. On Dec. 2nd the President addressed Congress before leaving for France and urged a Reconstruction policy which would include the following points:

1. Passage of Woman's Suffrage and use of existing Government agencies to effect Reconstruction;
2. Immediate resumption of development in Public Works to provide employment for returning soldiers;
3. Priority in distribution of American raw materials to war stricken nations;
4. Complete consummation of the three-year Naval programme.

Administrative Departments and Commissions. The work of the Secretaries of War, Navy, Treasury, Agriculture, and Labour have been referred to in other general connections. The Postmaster-General, A. S. Burleson, faced an enormous increase in mail matter and had to deal with a new military situation, with Censorship conditions, with regulations as to seditious press and correspondence, with the inauguration and extension of aerial mail service and with all kinds of routine developments. In his annual Report to June 30th Mr. Burleson strongly recommended Government ownership of Telegraphs and Telephones as a part of the Postal establishment and free from the need for making profits. On July 23rd this was agreed to by the President as a War measure and a proclamation issued taking the Lines over. Later in the year the Postmaster General caused some international friction by taking possession of certain Cable lines over which Great Britain claimed control. Franklin K. Lane, as Secretary of the Interior,

headed a Committee during the year for reporting upon the nation's need of technically-trained men and improved facilities in higher education. The Report dealt with United States engineering problems in war and peace and urged institutions of scientific and practical learning to devote their energies to (1) national fitness for war and (2) development of industries and commerce after the War. Following the retirement of W. G. McAdoo as Secretary of the Treasury, the President on Dec. 5th appointed Carter Glass, Congressman for 18 years and organizer of the Federal Reserve banking system, as his successor.

Meantime Commissions had been appointed by the President to control Railways, Food and Fuel, War Trade and Capital Issues, Shipping, Aircraft, etc. The most important public war body was the Council of National Defence, around which were organized various subsidiary Boards, Committees, Sections, such as War Service, Statistics, Coal Gas Products, Conservation, Coal Production, Electrical Power, Electric Railways, Engineering and Education, Explosives, Manufacturing Industries, Labour, Legal Affairs, Locomotives, Lumber, Medical Board, National Research, Price-Fixing, Priorities Board, Resources, Storage, Supplies, etc. Originally designed for advice as to future war conditions it was given certain executive powers as to internal and existing war operations. During 1917-18 it planned much war machinery, operated much of it, and passed other sections over to the Government or to separate Executive life. According to its 2nd Annual Report the Council dealt with, amongst other problems, those relating to Governmental organization; War-labour policy, including general industrial relations, the housing and transportation of workers, the training of emergency labour, the I. W. W. problem, and many allied questions; shipping, food, fuel, and transportation; general medical policy; industrial policy, including the transference of industrial plants from peace to war-work; the question of commercial conservation; and many problems involving the general *morale* of the people.

State Councils were organized in 23 States and Local Councils, in nearly every State of the Union, with duties which covered every phase of War support and activity. The Council was composed of six members of the Cabinet—Newton D. Baker, War; Josephus Daniels, Navy; F. K. Lane, Interior; D. F. Houston, Agriculture; W. C. Redfield, Commerce; W. B. Wilson, Labour. The Advisory Council was made up of Daniel Willard (Chairman) who dealt with Transportation; Howard E. Coffin, Munitions and Industrial regulations; Julius Rosenwald, Supplies, and B. M. Baruch, Raw Materials; Dr. Hollis Godfrey, Engineering and Education; Samuel Gompers, Labour, and Dr. Franklin Martin, Medicine and Surgery. Into this and other organizations the Government interjected the work or control of many of the greater Captains of Industry who gave their services without fee and did much to promote efficiency—men like Ryan, Schwab, Stettinus, McRoberts, Baruch, Tripp, Replogle, etc.

The War Industries Board was an outgrowth of the Council of Defence and was re-organized under B. M. Baruch on Mch. 4th, 1918 with the following functions: (1) the creation of new facilities and the discovery or opening up of new or additional sources of supply; (2) the conversion of existing facilities, where necessary to new uses; (3) the studious conservation of resources and facilities by scientific, commercial and industrial economies; (4) advice to the several purchasing agencies of the Government with regard to the prices to be paid; (5) the determination, wherever necessary, of priorities of production and of delivery and of the proportions of any given article to be made immediately accessible to the several purchasing agencies when the supply of that article is insufficient, either temporarily or permanently; (6) the making of purchases for the Allies. Divisions, Sections and Committees of the Board were constituted as to Price-fixing, Labour, Allied Purchasing, Steel, Requirements, Priorities, Conservation, Chemical Statistics, Explosives, Textiles, Facilities, etc., with an important Division on Commodities which was sub-divided into all kinds of industrial and productive sections. During this last year of war the Board dealt with the national industries as they affected or were touched by the War and controlled their production, sale and shipment accordingly; it organized the country into districts and the business into subsidiary territories to help war business and industries; it impressed upon all concerned that the first duty of industry was to get the needful number of men into active service and its second one to protect the establishments essential to the soldiers and the war; it curtailed the production of an immense number of industries not essential such as passenger motor-cars, pianos, cutlery, stoves, clothes, wringers, boilers and radiators, breweries, roofing, sporting goods, gas stoves, tin plate, soft drinks, bicycles and refrigerators; it restricted the use of platinum, uridium, etc., to War purposes only. On Dec. 31st, after having put business on a War basis and taken an inventory of the nation's industries, it passed out of existence.

Other important bodies were the War Trade Board with duties which concerned the blockade of the enemy nations; the War Finance Board, a Government Corporation of $500,000,000 capital and with authority to issue $3,000,000,000 in bonds, which supervised financial operations; the Federal Trade Commission with general powers over methods of trade and economic investigation. The Reports made by this latter body to the Government were of great value and covered matters relating to the production-cost of commodities for the War, Navy and other Government Departments; alien enemy patents and varied economic problems such as oversight of Export Associations, the fixing of paper manufacturing prices, and the cost of Food investigations—including meats, grain, flour and canning; the unfair methods of trade competition including Commercial bribery and re-sale and questions of price control or increase; inquiries into costs of production for coal, petroleum, lumber, steel, farm equipment, metals, textiles, leather, bread, loco-

motives, ship-building, etc. The Chairman of the Committee was W. B. Colver. Popular organizations which did great war service in promoting public sentiment and work and were, incidentally, behind the Government's war efforts were the American Rights League of which Geo. Haven Putnam, New York, was President; the American Defence Society in which R. M. Hurd was Chairman of the Board of Trustees with a platform of universal military training and aid in the campaign against Sedition; the League of National Unity, formed early in 1918, with Cardinal Gibbons, Mrs. Chapman Catt, Samuel Gompers, C. E. Hughes, J. M. Beck, as supporters and promoters; the National Security League of which Elihu Root was Hon. President and which published a series of valuable War leaflets in a campaign for Patriotism through Education.

War-time Relations of the United States and Great Britain.

The military and naval co-operation of Britain and the Republic in 1918 was close, the interchange of support in many directions was fundamental to war success and more effective than probably had ever been hoped for. When there was friction the public heard little of it in detail though there was always available a section of the press anxious to anticipate trouble and magnify difficulties. An element in the relations of the two countries was the character of the press despatches which too often minimized British achievements in the War and British action at the Front while magnifying British difficulties of a Labour or social or political nature at home. When the United States got actively into the struggle stories of its share in the War were too flamboyant and the canvas upon which the reports were etched took up too large a place in the perspective; but the United States was not alone in this respect and Canada must bear a similar reproach. To meet any possible misunderstanding in these and other directions there was the effective work of W. H. Page, Ambassador in London, the overflowing British friendliness and frank appreciation in Mr. Roosevelt's speeches, the generous attitude of journals like the New York *Tribune* or *Times,* and the interchange of visitors between the countries.

The appointment on Jan. 8th of the Earl of Reading, G.C.B., Lord Chief Justice of England—himself a popular personality and twice in 1917 head of important special missions to the United States—as a special Ambassador and High Commissioner to succeed Sir Cecil Spring-Rice was a most fortunate selection. On Feb. 13th be presented his credentials to the President and made the first of many felicitous speeches in respect to his Mission: "His Majesty has directed me to express to you, Mr. President, his earnest wish that the cordial relations which happily exist and have so long existed between Great Britain and the United States of America, and are now especially strengthened by the whole-hearted co-operation of the two nations in a great common cause, may forever be maintained and may even gain in strength. These rela-

tions have their surest foundation in the ideals and traditions which animate the minds of both peoples." The President reciprocated the desire for continued friendship between the two peoples —and the people of all other nations which believed in liberty and justice. The retirement of Sir C. Spring-Rice was followed by his sudden death at Government House, Ottawa, on Feb. 14th; Lord Reading's first official act was to sign a reciprocal Treaty under which the United States could conscript British subjects of 20 to 45 and Great Britain conscript Americans of 21 to 31.

His first great problem was to hurry up deliveries of food supplies to Great Britain, France and Italy, which were 24,000,000 bushels behind the promised total together with shortages in current shipments; his first popular action was a conference with 25 newspaper correspondents and a proposal for similar meetings every two weeks in which matters relative to the two countries could be discussed and given publicity. He also appointed Sir H. Babington-Smith as his chief assistant, Sir Hardman Lever in charge of financial relations and Sir Richard Crawford of Commercial affairs. Accompanied by Elihu Root, Lord Reading was in Ottawa, Montreal and Toronto during May. As to the events of these months let an extract from a speech in London, during a brief visit, (Aug. 21st) suffice: "I found preparations proceeding with redoubled energy, and this continued and increased. I shall never be able to give adequate expression to the sympathy that the American people showed for the happenings in France at the end of March and further on. During that period there was a great awakening in America. I think it is no injustice to say that until that moment the true inwardness of events had not permeated throughout America." The difficulties of food shipment had been overcome in this period and then came the problem of military transport—as to which Lord Reading added: "The chief difficulty that had prevented America from sending over a larger number of troops was that transports were not available; but there were difficulties also in handling and dealing with the men. When the supreme moment came, somehow or other—no one quite knows how—the British Ministry of Shipping, the Admiralty and all concerned, managed to find the ships, cost what it might."

International Exchanges of Social and Public Import. Coupled with the influence wielded by the British Ambassador's suave courtesy and popular, forceful, utterances, were the visit to the United States of men like Sir F. E. Smith, M.P., afterwards Lord Chancellor, and his speeches at Detroit, New York, St. Louis and other centres in which he explained something of what Britain had suffered and sacrificed and achieved in the War; like Dr. Cosmo Gordon Lang, Archbishop of York, whose eloquence and tact appealed to the many leaders he met and the 100,000 persons whom he addressed in 85 speeches delivered from New York to Washington and Philadelphia to Boston; like Bishop Gore of Oxford who spoke in the principal cities under the auspices of the National

Committee of the Churches on Moral Aims in the War and Lord Charnwood, author of a Life of Lincoln, who was selected to deliver lectures at Cornell on a foundation formerly used for German culture; like Sir Eric Geddes who, in October, visited Washington as 1st Lord of the British Admiralty and delivered some official speeches; like the British Educational Mission to the United States including Chancellors, Principals and representatives of Oxford, London, Cambridge, Manchester, Glasgow, Trinity-Dublin and Birmingham Universities who, in October, addressed meetings from New York to New Orleans and Chicago to St. Louis.

A passing visit to Washington was paid by Prince Arthur of Connaught (May 25th) upon his return from a Mission to Japan. He was received by the Ambassador, spent half an hour with the President at the White House and addressed the newspaper correspondents at the Embassy in a few tactful words: "We British recognize and appreciate the great spirit which has prompted you to send the best of your country's manhood to the other side of the world to fight for liberty and civilization." There were not so many prominent Americans visiting England and the number of United States soldiers landing there was limited. But H. M. the King never missed an opportunity of extending British courtesies and British hospitality was always wide open. American troops paraded in London on May 11th and were reviewed by the King and Queen Mary and each soldier received a facsimile of a royal letter welcoming him, on behalf of the British people, to his place in the war for human freedom. An American Labour delegation visiting England at this time was received at Buckingham Palace and the King told them that: "It has always been my dream that the two great English-speaking nations, with their individual national characteristics, should work together in close and harmonious relations toward those ideals of progress and civilization common to both peoples. Fate has decided that war should fulfil this dream. The two nations have made common cause in the defence of freedom and justice. In the future days of peace may they continue to stand side by side to attain the same ideals and aspirations."

In July His Majesty visited the American war-ships in British waters and issued a special Message of pleasure at the opportunity of seeing the splendid ships of the United States in line with those of Britain: "Since my last visit you have by ceaseless watchfulness assisted by the indefatigable fleet of auxiliaries and the dauntless mercantile marine, continued more efficiently than ever to shield our shores, protect commerce and the transports of the Allied nations and maintain our supremacy at Sea." Another Naval visit and an interchange between the King and President Wilson followed in August and on Nov. 11th the signing of the Armistice evoked a message from the King in which, on behalf of the Empire, he said: "It is indeed a matter of solemn thanksgiving that the peoples of our two countries, akin in spirit as in speech, should today be united in this greatest of democracy's achievements. I thank

you and the people of the United States for the high and noble part which you have played in this glorious chapter of history and freedom." In July members of the Naval Committee of the U. S. House of Representatives visited England, saw something of the Grand Fleet, were dined at the House of Commons and received by the King at Buckingham Palace; on Sept. 12th prominent American editors including Edward W. Bok, Ellery Sedgwick, Albert Shaw, F. W. Kellogg and others were guests of the Ministry of Information and were entertained by Lord Northcliffe, received by the King and shown much of the war-work of Britain; at the close of the year J. M. Beck, the pro-British publicist of New York, was given a hearty welcome and entertained at a Pilgrim's luncheon on Nov. 28th with the Duke of Connaught in the chair; during December a large group of American Trade editors were in Britain, were welcomed at various functions, and shown much of the real England.

There were many other interchanges both practical and verbal. If Great Britain gave a million badly needed tons of shipping to bring American soldiers over, the people of the United States saved their food supplies and skimped their own tables in order to help in feeding Britain and the Allies; if Great Britain undertook to refit and clothe great numbers of American troops the United States lent her and her Allies 8,000 millions of money; if the United States failed in its Aircraft production to meet the urgent call of the Allies it did not fail in its mass of munitions and vast volume of supplies; if the United States gave a cordial welcome to many British visitors England reciprocated in the ovation tendered to President Wilson. In London, in Manchester, wherever he went during the brief visit of December, the President was given ample proof of England's cordial feelings. At Manchester (Dec. 30th) he analyzed the current situation as "a feeling of cordiality, fraternity and friendship between two great nations." Meanwhile, British leaders had not been behind their Sovereign in recognizing the possible and ultimate services of the United States and Mr. Balfour and Lord Curzon, Mr. Asquith and Lord Robert Cecil were at one upon this subject. It was on Mch. 27th, in the first days of the grim German offensive that Mr. Lloyd George cabled Lord Reading as follows: "This battle, the greatest and most momentous in the history of the world, is only just beginning. Throughout it the French and British are buoyed with the knowledge that the great Republic of the West will neglect no effort which will hasten its troops and its ships to Europe. In war, time is vital. It is impossible to exaggerate the importance of getting American reinforcements across the Atlantic in the shortest possible space of time." In the end he was able to feel that this call had been met to the hilt and that the United States had taken its proper place in the final stages of the great war.

During these months of war a subtile but obvious change was taking place in the viewpoint of many Americans. Speakers, lecturers, writers every now and then instructed the public in what the United States owed England—in literature and institutions, in

Courts and the rights of the citizen, in Magna Charta and all that it meant, in the Petition of Right and the laws of taxation. Many school histories were re-arranged or re-written, much anti-British history of the past eliminated, while many 4th of July speeches took on another tone. As to the History the Indiana Teachers' Association put it as follows early in the year: "Our teaching of American history should seek to remove from, or prevent in the minds of our children all anti-British feeling. Our students should be led to understand that the American Revolution was in the nature of a civil war, a conflict of ideas between Tory and liberal Englishmen in Britain and America. The founders of this Republic were contending for the same principles of free Parliamentary government that Burke and Chatham, Pym and Hampden, and other patriotic Englishmen contended for in their day." The British celebration of the 4th of July, 1918, was an illustration of the reciprocity of ideas in this respect. It was an official affair with warm popular support and London was ablaze with flags including many Stars and Stripes; thousands of American soldiers were in the capital and many attended a meeting of the Anglo-Saxon Fellowship at Westminster addressed by Viscount Bryce, Mr. Winston Churchill, Hon. Arthur Meighen of Canada and General John Biddle, Commander of the U. S. troops in England, Admiral Sims and G. Haven Putnam; a Resolution was passed rejoicing that "the love of liberty and justice on which the American nation was formed should, in the present time of trial, have united the whole English-speaking family in a brother[illegible]od of aims." A Declaration of Interdependence was what one American speaker termed the general *raprochement* of this anniversary.

A national service was held in St. Paul's Cathedral with King George singing the Battle Hymn of the Republic and paying special honour to the American Ambassador. The London *Telegraph* sent greetings to the President, the Governor of New York, the New York *Tribune* and other journals and received cordial replies; about this time at Princeton, New Jersey, in the presence of 1,000 aviators and representatives of Britain and France, a Memorial was unveiled to "American and British officers and soldiers who fell in the Battle of Princeton on Jan. 3rd, 1777"; in Toronto, Canada, for the first time, July 4th was officially celebrated with speeches by Mayor T. L. Church and Hon. H. J. Cody and so it was at other Canadian centres such as Vancouver where Ernest Lister, Governor of Washington State, addressed a meeting; far away in Australia the day was celebrated as one of interdependence in a new and great sense. President Wilson issued a statement of appreciation and declared that: "With the forces of Great Britain and those of the United States fighting shoulder to shoulder for the supremacy of democracy and freedom, the remarkable demonstrations of Independence Day throughout the British Empire and, in fact, in all friendly nations, are an added evidence of unity and fraternity which cannot but be an inspiration to the Government and people of the United States." On Aug. 4th many American newspapers

reciprocated British courtesies by paying tribute to Great Britain upon her entry into the 5th year of war. That of the San Francisco *Call* was notable: "The British have never wavered, nor swerved one inch from their set purpose. Day by day, as the war progressed, the bulldog character of the British people has become more pronounced. Their losses did not daunt them. Their men, their treasure, their ships—they have sacrificed them with never so much as the twitch of a muscle." So with the British Empire Red Cross collection of Oct. 23rd which the American Red Cross marked by a contribution of $2,385,000.

So, also, with the celebration of Britain's Day in the United States, on Dec. 7th, spontaneous in a general sense but organized as to detail by the American Defence Association, the National Security League and the National Committee of Patriotic Societies, with such prominent names as Taft, Parker, Root, Hughes, Roosevelt, Eliot, and Bacon in the list of supporters. At a great meeting in New York Alton B. Parker read a message to the standing, cheering audience from King George. A wireless from Admiral W. S. Sims said: "I am glad as an American citizen to pay tribute of appreciation to the British Navy, which, through more than four years, has with high courage and unswerving devotion to duty, carried on arduous labours without which the magnificent efforts of our army and the armies of Britain and her Allies would all have been in vain. Since our entry into the war, the navies of Britain and the United States have acted as one." The New York *Tribune* headed its editorial of the day "To a great Friend," and added: "America and Britain stand to-day loyal and seasoned friends. We have fought a great fight shoulder to shoulder, with one purpose and with one will. Together we have won that fight. Together we shall stand while generations now living shall endure." The New York *Times* was even more explicit: "In keeping to-day as Britain's Day the United States can but inadequately recognize and honour the invaluable, multiform resource, energy, and skill, the quiet and supreme courage and devotion, the patience, tenacity, and impregnable resolution of the British people. Without them the Potsdam conspiracy would have won."

Throughout Pennsylvania and the New England States, at Boston and in the South and West there were meetings, civic decorations, parades, and many evidences of good feeling. The press was almost unanimous in its expressions—with the exception of the Hearst papers—and on the Sunday of Dec. 8th, there was a great volume of addresses in the churches as to what Britain had done. To a New York banquet of the Pilgrim's Society General Pershing cabled a keen appreciation of Britain's place in the War: "The achievements of the British Empire for humanity are too manifest to enumerate in a short message. Entering the war to defend the rights of nations, she has unhesitatingly given her sons and her wealth. Steadfast in adversity, wounded with a thousand wounds, Britain's hammer blows have never weakened or faltered. But for the tenacity of her people the war would have been lost."

Meanwhile, two incidents of friction had developed which in due course were overcome but which in other days would have given rise to much trouble. One was the refusal of the U. S. Shipping Board in November to permit the sale to a British syndicate of the important fleet of trans-Atlantic vessels—the property of English companies and flying the British flag—of which the stock was held by the International Mercantile Marine. The price, said to be $90,000,000 was admittedly fair and the Board was willing to take over the ships (about 100 in number with a 1,000,000 tonnage) at that figure for the American Government; the attitude taken was due to reluctance that an ownership which had so long been held under United States control, and covering so important a tonnage, should, at this time and under existing conditions throughout the world, pass definitely under Foreign control. British consent was necessary to American purchase as was American approval to British purchase. The other incident was the assumption early in December of control by the Postmaster-General, under a proclamation by the President, over Atlantic cables and his seizure, amongst others, of the Commercial and Western Union lines which passed from Ireland to Nova Scotia and in which Canadian financiers were largely interested. The object was stated to be the assurance of precedence in transmission to all United States Government matter and American news despatches; and it was felt in Canada and at London that this might prove more than inconvenient and would, also, give the United States supervision over traffic which ran from London to the East upon the British Pacific Cable. No immediate action was taken, however, and the matter stood over for 1919 solution.

Naval Co-operation of the Two Powers. Reference has been made to tributes of the U. S. Military and Naval Commanders to the British part in the War and the co-operation of the two Naval Services was well understood in higher circles. The Submarine raid upon American coasts in June was not taken seriously by the British Admiralty which considered it an effort to distract attention from, and perhaps divide counsel as to, the combined operations in the North Sea and Mediterranean against the Submarine. Admiral Sir R. E. Wemyss, 1st Sea Lord, declared on June 15th that it should remind the American people, in a dramatic way, that the seas are all one and that they had a common interest in conquering the Power which invented this modern form of piracy.

In the Naval relations of the two Powers, as in Military matters, one supreme command had been accepted and Sir David Beatty ruled over the two Fleets as Marshal Foch did over the Armies. F. D. Roosevelt, Assistant Secretary of the U. S. Navy Department was in London during July and on the 26th told the press that there was entire absence on both sides of any national or professional jealousy, and that the ease and simplicity with which the principle of a single command established itself, had impressed him as one of the soundest guarantees for eventual victory. Of

this period was the wonderful harmony of operations—in shipping, transport, authority and action,—which marked the bringing of a million men and their supplies across the Atlantic in a few months. As Sir Joseph Maclay, British Comptroller of Shipping, put it on Aug. 3rd: "It was the biggest thing of the kind ever attempted." He mentioned that, while at first 60 per cent. of this transport and then a higher proportion was done in British ships the 7,000,000 British, Dominion and Indian troops, engaged in various theatres of war—in France, Flanders, Italy, Salonika, Palestine, Mesopotamia, Persia and Egypt, to say nothing of the garrisons in Malta, Gibraltar, and elsewhere—had been supported with reinforcements, munitions, stores, and food and their sick and wounded carried over the seas. Meantime fuel, food and stores in enormous volume had to go to the Western front and the Allies. To do all this, he added, required sacrifices: "Ships which, under normal conditions, are engaged in the trade between the British Islands and the Far East, Australia, and India, have had to be withdrawn from service, and we have been compelled to sacrifice to a large extent the communications between the Mother-Country and the Dominions."

During this period the United States Navy had been doing its share. Their officials supported the British plans of a great blockade or mine-barrier of the enemy's coast and around the North Sea so as to prevent Submarines from getting out; they constructed a suitable mine with a new firing device. British-American joint action was arranged, the United States produced the vast volume of mines required, a number of ships were converted into mine-layers, a great mine-charging plant was erected, a fleet of transports arranged for the mines and, in April, 1918, they were despatched from the United States; afterwards, with British co-operation, they were safely placed and an immense area made impracticable for Submarines. Then came the end and on Nov. 11th Mr. Daniels cabled Sir Eric Geddes: "My hearty congratulations. This is the greatest day in 2,000 years of history. All of the 500,000 men in the American Navy send greetings to you and your great Navy. One of the things for which we are happiest is that the two English-speaking Navies have co-operated to achieve the glorious result."

In an interchange of despatches with Admiral Sims Sir R. E. Wemyss said, with some important details: "We recognize with feelings of gratitude the debt we owe the United States Navy for its whole-hearted support during the past 18 months, not only in the anti-submarine campaign and the intensive mine-laying programme, but also in sending its battle squadrons to reinforce the Grand Fleet. We do not forget that your destroyers came to our assistance at a moment when our small craft were feeling the severe strain of three years of continuous warfare. . . . The close co-operation between our two Services has, I venture to think, been one of the outstanding features of the War." On Dec. 1st, when the U. S. 6th Squadron was detached from the Grand Fleet, Sir David Beatty visited Rear-Admiral Hugh Rodman on the *New York* and thanked

everyone for their "wonderful co-operation and loyalty" and for a support which showed "true comradeship." On his return to the United States Admiral Rodman (Dec. 27th) reviewed the situation in the New York *Tribune* and paid this lofty tribute to the British Navy: "It is needless, in fact superfluous for me to reiterate that which is known and recognized throughout the civilized world, namely, that it was the Grand Fleet which has been the very backbone of the structure which has made a victorious peace a certainty. Without it there is no question that the war long ago would have been disastrously concluded with just the reverse conditions." Admiral W. S. Sims, Commander of the U.S. Navy in European waters had already (Oct. 11) expressed himself very clearly: "I would like American papers to pay particular attention to the fact that there are about 5,000 anti-submarine craft in the ocean to-day (of which about 160 are American) cutting out mines, escorting troopships and making it possible for us to get ahead and win this war. The reason they can do this is because up in the North Sea somewhere is the great British Grand Fleet. If a catastrophe should happen to the British Fleet there is no power on earth that can save us, for then the German Fleet can come out and sweep the seas. The British Grand Fleet is the foundation-stone of the cause of the whole of the Allies."

Anglo-American Agreements or Arrangements. A word may be said here as to Treaties or agreements made between Britain and the United States in 1918 and, also, as to other forms of practical co-operation. The first one was an arrangement for the division of cargo space on ocean liners which provided for an equal allotment of space to British and American commercial interests in all ports where their ships touched. Associated with it was a Shipping Control Board, including Allied and American members, with Sir Connaught Guthrie as Chairman and the co-ordination of shipments by rail and sea, and as to destination and transport, the prime object. Sir William Goode was British *liasion* officer, or representative in the United States, for the purpose of co-ordinating the needs of the British Food Department and the action of the American Food Administration. In February he was able to arrange ships for 175,000,000 pounds of bacon and frozen meat above the original estimate of possible supply.

The details of the Convention between the British Empire and the United States as to Military Service affected Canada as well as other British countries but Australia and Ireland were excluded from its operations as not having Conscription. The draft Convention was approved at Ottawa as well as London before acceptance and it applied to an interchange of Conscripting authority in the three countries concerned—the ages of Americans in Canada or Great Britain being 21 to 30 and of Canadians and other British subjects in the United States 20 to 44. It was estimated that 54,000 American citizens in the British Empire, including 36,000 in Canada, and 310,000 British subjects in the United States, including 60,000 Canadians, would be affected by this Treaty—operative on

July 30th, 1918. In this connection L. J. Loranger, K.C., of Montreal, was appointed to represent the British Embassy at Washington in cases arising out of the Treaty. An interesting incident of this year was the conferring of British Honours upon certain Americans prominent in the War. As with other decorations given by European Powers, in Foreign countries, they did not carry titles with them. Generals P. C. March, and Tasker H. Bliss were given the G.C.M.G. and General J. J. Pershing the G.C.B.; a number of American officers were awarded the D.S.O. and the M.C. while the Military Medal was given to a number of soldiers.

U.S. Alien Enemies and German Propaganda; Pacifists and the War

During this year and a half of war the United States was faced by new forms of the Alien and pro-German problem which had menaced its unity and interfered with its international action during the whole period of the world-struggle. In origin this problem was a partial outcome of instructions issued by the German Imperial Government on Feb. 23rd, 1915, to its Ambassadors, Ministers and Consuls abroad in the following terms:* "It is brought to your knowledge that in the countries where you are accredited there have been founded special bureaus for organizing propaganda in countries of the Coalition at war with Germany. The Propaganda will have for its aim the inception of social movements, accompanied by strikes, revolutionary explosions, separatist movements and civil war, as well as an agitation in favour of disarmament and the cessation of this bloody war."

Based upon the German claim that there were 30,000,000 people of German blood dwelling outside the German Empire, this propaganda covered the world along lines familiar to the public in a general way and to the student in an infinite variety of detail, to the statesmen and soldiers of 1914-18 in a great number of painful experiences. Marshal Ludendorff was credited with being the man behind a world organization in which espionage, or war-time spy system, was greatly perfected, defeatism or the doctrine of despair spread widely in Italian and French armies and amongst even ruling politicians, millions poured out through Banks in all the Allied countries, secret missions composed of corrupt men and charming women utilized to the full, political ferment, labour unrest, racial friction, international jealousies created or developed to an extraordinary degree. Ensuing conditions amongst the Socialists of Italy and France, the officials and public of Spain, the press of South America, the people of Holland or Sweden, the Russians of 1918, afforded ample proof of the force and influence of the propaganda aside, altogether, from the better known affairs of British countries and the United States. According to Oliver Bainbridge, author and explorer, before the Canadian Club of Vancouver on July 8th, there were throughout the world 6,000 centres or schools of German propaganda and 80,000 secret societies acting in its interest when war broke out.

*Note.—Dr. Earl E. Sperry, Professor of History, Syracuse University, in a pamphlet published by the National Security League, New York.

German Propaganda and Plots. In the United States active agitation and seditious actions were met by arrest, trials, fines and other efficient methods of suppression. Von Bernstorff and Dernburg and Albert and Boy-ed had to go but they left behind them fully 200,000 members of the German Espionage system—according to Captain G. M. Lester before a Senate Committee on Dec. 13th; Paul M. Warburg, with a reputation for loyal Americanism, great business capacity and financial power, had to drop out of the Vice-Governorship of the Federal Reserve Board because he had a brother high in the councils of Germany; Brig-Gen. F. E. Resche, a National Guard officer, born in Germany, was discharged from the Service for disloyal expressions of opinion. Action of various kinds, but action more or less effective, was taken in 1918 against the German propagandist, the informer, the pro-German Labour agitator, the incendiary and bomb-making individual; Legislative enactments and private guards, Government and Company action, did all that was possible to protect munition and war-supply plants yet the 1917 Fire losses were the greatest in history and $43,000,000 were estimated as due to enemy incendiarism; the Insurance companies were the most accurate and subtile of the means of obtaining secret information as to persons and financial conditions and 15 of them, with annual premiums of $16,-761,000, were under German control until 1918 when they were sold by the Alien Property Custodian; according to A. L. Becker, Deputy Attorney-General of New York State, $100,000,000 of German War bonds had been sold in the United States with the Busch family of St. Louis, alone, taking $1,000,000 worth. A Sedition Bill in 1918 provided penalties up to 20 years' imprisonment and $10,000 fine for the use of seditious language, disloyal actions, or obstruction of war work. A Sabotage Act imposed penalties up to 30 years' imprisonment and $10,000 fine for the wilful injury or destruction of war material, industries or utilities. The incidents mentioned above, coupled with the influence of the German-American press, the German-American Alliance, the power of the Hearst papers and the use of the I. W. W. and Socialism as a Labour weapon, produced much trouble and results which lasted long after the War was over.

The elements in this work were very mixed. A large percentage of the spies were American or British naturalized citizens, action was taken or information obtained in a thousand devious ways—by waiters, soldiers, officers, financiers, workmen, insurance men—wherever corrupt influences would operate; the methods used included (1) the obvious and usual military, or naval, plan hunters; (2) the agents devoted to destruction by fire or science, dynamite or bomb; (3) the industrial organizers of labour unrest and consequent delay in production and paralysis of distribution; (4) the spread of disease-germs from poisonous court plasters, and in other ways, foot-and-mouth cattle disease or even spinal-meningitis; (5) the propaganda of political poison and international distrust and paralysing rumours; (6) organization of Pacifist societies and

their utilization for the spread of doubt, distrust and deception; (7) the bribery of press and public men and army officers in this and various countries. To meet such propaganda and action in the United States T. W. Gregory, Attorney General, on the declaration of War had every known German agent seized and transferred to war-prison camps and from that day on he watched conditions closely as they affected over 450,000 German aliens, 600,000 Austrians and 400,000 Hungarians who were living and working in the country—with an equally troublesome element of native or naturalized Americans.

There was a lack at first of adequate laws but, as Mr. Gregory stated on Apr. 12th, 1918, his Department did its best and during the first year of war had drawn and enforced various regulations governing the conduct of alien enemies; had devised machinery for and carried out successfully a registration of all male German aliens; had put into operation regulations for barring alien enemies from water-front shipping facilities and other prohibited areas; had caused to be instituted military patrols by the Army on the most important piers in all of the large seaports of the country and had instituted a pass system to protect water-front zones. The difficulty, however, was to reach the men guilty of crimes against the country. They worked under so many disguises and in such devious forms—with the Industrial Workers of the World as an ever-useful ally for strikes, sabotage, incendiarism, etc. Senator L. S. Overman in the Senate on Mch. 28th charged that German agents had caused a hold-up of the Aeroplane production in the United States, and that by tampering with machines they had sent several American flyers to their death.

According to Congressman G. R. Currie of Michigan, a mechanic employed by the Liberty Motor Co. wilfully broke a complex machine used in the motor factory, and caused the actual loss in production of 13 aeroplane engines. Mr. Currie asserted that Federal agents and operatives in Detroit had secured proof of a thousand cases of similar acts of destruction. Senator C. S. Thomas of Colorado stated in the Senate on Apr. 2nd that German spies, operating in one of the war factories, had tampered with gas masks, and of 5,000 made for the use of American troops, 2,900 were found defective—tiny perforations having been made in the rubber. The masks would have been useless in a gas attack and the men using them overcome by the deadly fumes. As to the I. W. W. they were believed to be largely responsible for most of the 1,156 strikes in the six months following the war declaration—of which the majority were in essential War industries. The discovery, indictment and trial of the nest of plotters in San Francisco during 1918, with charges of obstructing the Draft, causing strikes and promoting sabotage—the blowing up of factories, destruction of crops and bombing of ships—fully proved this condition as well as ramifications which spread to Canada and India, in particular, and other countries in general.

Evidence at San Francisco showed that $30,000 of German money aided the Hindu plotters—Har Dayal, Banghwan Singh, Ram Chandra and others—and that attempts were made to purchase a million rifles in China to further a proposed Indian revolution; according to documents published by the U. S. Attorney-General on Feb. 25th Har Dayal obtained letters of introduction from Berkman, the anarchist, to anarchists in various European countries; a statement issued by the California Council of Defence stated that the German Government was trying to introduce into the United States a poisonous pollen which would destroy wheat crops; early in June J. A. O'Leary, President of the Catholic Truth Society and an active Sinn Feiner, together with John Ryan and W. J. Robinson, also of the Sinn Fein, and others such as Fricke and Kipper, and Baroness von Kreutschman, who had been associated with Von Papen's plots in 1916, were indicted for supporting revolt in Ireland, planning bomb outrages and sending information to Berlin; under the Espionage law at this time Rev. P. Stokes was sent to gaol in New York for 10 years for seditious utterances; while a Private named Rhinehammer at Camp Lewis was given life imprisonment for a similar offence; in a New York court investigation on July 17th it was stated by Federal officials that $90,000,000 subscribed to German War bonds had gone into a Fund managed by the late Prof. H. Muensterburg of Harvard, Otto Merkel, and the notorious Von Rintelen for supplies which might get through neutral countries, for propaganda and plots against ships, railways, industries, etc.

During the trial of Dr. von Strensch in New York in July plans were produced directed originally from Berlin by Louis Viereck, father of the Editor of the New York *Fatherland,* for an invasion of Canada by German reservists; A. Mitchell Palmer, Alien Property Custodian took over up to the end of the war hundreds of millions of Alien property—chiefly German—and, in connection with the Bridgeport Projectile Co., reported on Oct. 11th that $10,000,000 had been the intended German expenditure upon this plant for buying up and holding available supplies of powder, antimony and other things essential to the making of munitions and, also, for negotiating in Allied contracts which were to be held up or delayed; the same official in July seized a number of large Metal concerns controlled by Germany and which had before the War controlled, in turn, much of the American output —with affiliations in South America, Mexico and Canada and including such firms as Vogelstein, Beer Sondheimer, and the American Metals Company which was closely associated with the German Metals Trust; in August he took over the Heyden Chemical Works of Garfield, N.J., the second and largest corporation of the kind in the United States, as being owned in Germany, and in November, after the conclusion of the Armistice, he seized and sold the German Insurance Companies operating in the United States.

The German-American Alliance; The Schools and the Press. This Alliance was the chief organization of a national character, in the United States, along German lines. It was based upon belief in German greatness and German Kultur, and claimed to educate German-Americans in pride of their language and nation together with loyalty to the United States; it was supported by Lutheran Synods and the Central Verein of the German Catholics of North America, and its Constitution aimed "to promote a feeling of unity among the population of German origin in America"; it had raised $800,000 for the German Red Cross before the United States entered the War and $700,000 to fight Prohibition; its members were said to number 3,000,000. The U. S. State Department on Feb. 26th placed information before the Senate which asserted that members of the Alliance were the principal subscribers to German Government bonds floated in the country while America was still neutral and that the proceeds never went to Germany, but were used by German agents to spread a propaganda which should weaken the national spirit; to incite Mexico to war with the United States and to purchase or prepare bombs to be placed on Allied and neutral ships in American harbours; to pay incendiaries to burn and wreck munition factories, bridges and canals in the Republic and in Canada; to incite rebellion in India and in Ireland against Great Britain. During this Senate inquiry which preceded the taking away of its charter from the Society, the Committee called Gustavus Ohlinger, President of the Toledo Chamber of Commerce and author of a book on German Societies in the Republic who defined the objects of the Alliance as follows:

(1) To consolidate all Germans in America in one economic, political, and social block;
(2) To arouse racial antagonism and to bring about closer unity between Germans in the United States;
(3) To scatter broadcast throughout the United States propaganda inspired by the German Government;
(4) To foment opposition to the policy of the United States Government and to further the aims of disloyal persons and parties in the United States.
(5) To promote opposition to alcoholic Prohibition throughout the United States.

Another influence which had its effect during the War was illiterary in its relation to race prejudice and alien language propaganda. Official publication was made on Mch. 16th of a letter from F. K. Lane, Secretary of the Interior, in which he stated that: "The War has brought facts to our attention that are almost unbelievable and that are in themselves accusatory. There are in the United States (or were when the Census was taken in 1910) 5,516,-163 persons over 10 years of age who are unable to read or write in any language. There are now nearly 700,000 men of draft age in the United States, who are, I presume, registered, who can not read or write in English or in any other language. Over 4,600,000 of the illiterates in this country were 20 years of age or more." The illiterate were very susceptible to German propaganda; those

who were only able to read or write in German were still more so. Out of this condition and the fact that German newspapers, and home-speaking in German and teaching of German in the schools had some influence in restricting English education and cultivating disloyalty, arose much agitation and controversy. P. P. Claxton, U. S. Commissioner of Education, opposed the elimination of German from Colleges and high schools but did not take any position as to public schools or the press; German was ousted from the public schools of Indianapolis despite the protests of a large German population and made optional instead of obligatory in the high schools; Ex-Senator Lafe Young at a Washington Conference (Apr. 3rd) urged that school children be protected from German propaganda and declared that the singing of "Deutschland Uber Alles" and "Die Wacht au Rheim," marked the closing of the day's session in more than 1,000 Middle Western schools.

According to Prof. E. E. Sperry, of Syracuse University, (New York *Tribune,* Mch. 23rd) there were 491 German schools in the United States aiding German papers and Societies in disloyal work; after the War came, the efforts of the National Security League, alone, obtained the discontinuance of German classes in the schools of many cities and towns in 25 States; in New York, according to an American Defence League pamphlet, there were in 1918, 212 teachers of German—all German by birth or extraction —teaching German ideas to 30,000 pupils. Amongst New York's school-books *The Tribune* found *William the Victorious,* by Karl Zastrow, which dealt with the first Emperor of that name as "an unequalled general who won victories without parallel"; and *German Poems and Songs,* a volume which urged the children to "cultivate the German language" and the German spirit and included a "Song of Hate" in the collection.

Meantime the German press propaganda was persistent—even after the United States came into the War. The German editor of the Philadelphia *Tageblatt* (Louis Werner) was indicted for treason in January with his associates Derkow, Vogel, etc.—two of these men being finally sentenced to 5 years' imprisonment and others to lesser terms; G. S. Viereck of *The Fatherland* admitted on July 26th receiving $100,000 from Von Bernstorff and Dumba for disseminating propaganda; C .E. Ware of the Boston *Journal* stated in Court on July 31st that Dr. Dernburg, through Prof. E. von Mach of Harvard (afterwards interned) had offered $22,000 to aid the *Journal* in completing a fund of $100,000 but that it had been refused; there was much evidence that *Fair Play* of New York and the *American Independent* of San Francisco as well as the *Evening Mail* of New York were subsidized from the Bernstorff fund.

The latter paper was a fairly high-class New York journal edited by E. A. Rumely who, in 1918, was arrested and indicted for treason and perjury. The paper itself was taken over by the Alien Property Custodian. Voluminous statements and proofs seemed to show that when Dr. Rumely acquired possession on June 1st, 1915, it was done with German money originating in an alleged Bernstorff-

Albert fund of $30,000,000 and arranged through the men who handled the Bolo transaction of $1,600,000; the purchase price and other costs totalled $1,361,000 and were obtained in various financial ways through specified New York Banks of which the Equitable Trust was one; S. S. McClure was mixed up in the matter through former association with *The Mail* and the S. S. McClure Newspaper Syndicate which Rumely had founded—though he denied all knowledge of the German conditions. During the investigation which followed it appeared that Bernstorff the Ambassador, Albert, his Commercial attaché, and Dernburg, the free-lance visitor and one-time Colonial Secretary—backed by plentiful funds—had, early in the War, formed six Bureaux with the following objects:

1. For the purchase of newspapers or the supply of money to influence editorial policy.
2. To look after the magazines or, when purchase of properties was impossible, to supply articles extolling Germany.
3. For attending to German books and other printed matter and their broadcast distribution.
4. To deal exclusively with Colleges and Universities.
5. For attending to finance and commerce, with a commission to get much needed supplies to Germany.
6. To deal in bombs, strikes and other things which might cause unrest in the country.

Prof. Muensterberg and Otto J. Merkel were successive chiefs of the Bureaux with Von Rintelen, Von Stengel, Von Papen and Boy-ed as active co-workers. Another newspaper matter was the purchase in 1917 of the Washington *Times* by Arthur Brisbane, one of W. R. Hearst's active writers, through a loan of which the greater part, or $375,000, came from German-American brewers. Meantime, in 1917-18, a number of pro-German books were freely circulated for a time and then forbidden the mails—books by writters such as E. Lyall Fox, Frobenius, Paul Rohrbach, G. B. McClellan, W. E. Orchard, Madeline Z. Doty, Laurence Mott, Max Eastman, David Starr Jordan, J. W. Mueller and so on. German music came under the ban of public opinion during 1918 in the singing of Mme Gadski, Mme Kurt, Mme Ober and other singers of German connection while Dr. Karl Muck, head of the famous Boston Symphony Orchestra, had to give up his place and be interned under grave suspicion of espionage. Even Henry Ford came in for severe censure from Charles E. Hughes, in his Aeroplane Report, for refusing to remove a certain German alien in his employ and for having 250 others of this class in his service.

Upon the other hand Simon Bamberger, Governor of Utah, who left Germany when 14 years old, expressed a vigourous defence of his American compatriots in a series of Bond-selling speeches and, on Apr. 21st, told the New York *Times* that their sentimental feeling was one of impressions received as to a Germany of 40 years past and not the Germany of the present; that the latter had to be explained to them and he, himself, was proud of never speaking German nor reading in German. As an illustration of the influence of German-Americans it may be stated that the *Directory* of Gov-

ernment officers in Washington showed during 1918 over 25 German-American officials in important positions—Carl Vrooman, Assistant Secretary of Agriculture, J. R. Mohler, Chief of Bureau of Animal Industry, Carl Alsberg, Chief of the Bureau of Chemistry, Karl Kellerman, Chairman of Editors, Agricultural Research Journal, George Uhler, Supervising Inspector-General of Steamboat Service, Otto Eidlitz, Director Industrial Transportation Bureau, F. Frankfurter, Chairman War Labour Policies Board, Brig-Gen. C. H. Lanchheimer, 2nd Assistant Postmaster General, Otto Praeger, Chief, Latin-American Affairs Department, J. H. Stabler, Chief of Housing and Health, War Department, Capt. Julius I. Peyser, Chairman Mail Transportation Committee, Rudolph Bruner and others.

As a special propaganda appealing to anti-British prejudices and general ignorance of European conditions or relations, the Hearst press had a place by itself; its cable agencies, which included the International News Service, were held up for a time by Great Britain and its journals were prohibited entrance to Britain, France and Canada. W. R. Hearst was a malignant figure in American politics and, though so far defeated in personal contests, wielded in these years of war a very considerable influence with the control and publication of ten papers said to have a total circulation of 2,500,000 daily. For a time he published the *Deutsches Journal* of New York, and he also controlled seven magazines with an alleged monthly circulation of 2,000,000. The New York *Tribune* was a bitter critic of what it termed Hearst's disloyalty and expressed reiterated wonder at "the singular and sinister immunity" of his publications. They were in 1918 as follows:

Newspapers:
- The New York American.
- The New York Evening Journal.
- The Chicago Herald and Examiner.
- The Chicago American.
- The Boston Advertiser.
- The Boston American.
- The Atlanta Georgian.
- The Atlanta American.
- The Los Angeles Examiner.
- The San Francisco Examiner.

Magazines:
- The Cosmopolitan.
- Good Housekeeping.
- Harper's Bazaar.
- Puck.
- Hearst's Magazine.
- Motor Magazine.
- Motor-Boating.

Besides these publications his News Agencies supplied 400 journals at one time and he controlled the supply of films to over 3,000 Picture Theatres. Mr. Hearst came before the public during this year in connection with all kinds of pro-German charges. They included the evidence given by Capt. G. B. Lester of the Army Intelligence Service as to Wm. Bayard Hale, the Hearst writer and correspondent in Berlin before the War, and for a time in 1915-16 head of the German Publicity Bureau in the United States; the interesting political ticket published in *The Fatherland* by G. S. Viereck announcing that the men who could "make America safe for Democracy" were R. M. La Follette for President, David Starr Jordan for Vice-President, W. R. Hearst for Governor of New York, Morris Hillquit for Mayor of New York and D. F. Cohalan and

Max Eastman—(notorious pro-Germans)—as New York Senators; the fact that he was the only person on the Mayor's official platform who remained seated, with his hat on (July 4th, 1918), when British and Canadian troops passed with their flags flying in the New York parade of that day; his alleged association with Bolo Pasha when in New York for the purpose of getting $1,600,000 of German money for his propaganda and the affidavits made as to repeated visits by this proven German spy and French traitor, with Von Bernstorff, to Hearst's home.*

There were, also, the development of an agitation against the circulation of the Hearst newspapers, the refusal of many New York newsdealers to sell them and the order issued by Mayor Hylan, whose election was aided by Hearst, to revoke the licenses of those who refused to sell them; the publication by A. Bruce Bielaski, Chief of the United States Bureau of Investigation, on Dec. 7th, of a list of those actively interested in pro-German propaganda prior to the United States entering the War—a list headed by Mr. Hearst's name and including 50 others such as Professors W. R. Shepperd, W. M. Sloane, J. W. Burgess, H. C. Sanborn, J. G. McDonald, E. C. Richardson, G. B. McClellan, A. B. Hart and W. P. Trent with Peace publicists such as Garrison Villard, David Starr Jordan and P. S. Grosscup; the publication by the press in the United States, generally, of many pro-German or anti-British extracts from one or other of the Hearst journals and the publication by the Government in December of Bernstorff correspondence which showed the friendly light in which the German Ambassador regarded the Hearst policy. On Dec. 14th Captain Lester, representing the Secretary of War before the Overman Senate Committee made these declarations as to Mr. Hearst:

1. That his editorial policy for months was made in Germany, under control of the German Government.
2. That his editorials and cartoons were designed, and their effect, if believed, would have been in specific instances cited after the United States declared war, to prevent any effective participation of America in the War and to prevent any alliance and association with England and the Allies.
3. That his policy, when at least one editorial was published, after the entrance of the United States into the war, was anti-American.

*Note.—Affidavits published in New York *Tribune* of Aug. 12th, 1918.

SOCIALISM AND THE LABOUR PROBLEM

Democracy: War Conditions and the Social Unrest of 1918

Canada, like all the countries of the world, was vitally affected during this year by the upheaval in financial, industrial, political, national, and, of course, social conditions and relationships which four and a half years of a titanic war had caused; it did not fully realize the influence of an unrest which ran like an electric current through the world and stirred the masses everywhere to keen, mental discontents, to disgust at war discomforts, to increased class antagonisms; its financiers and manufacturers and politicians wondered anxiously as to what was coming, longed for the stability of thought and work and policy which would be a natural part of internal and external peace; its workmen stirred restlessly, struck out every now and then, almost at random, and listened to, or read about, every new doctrine of the moment with an eagerness born of unrest and nurtured by war conditions. Meantime, in all English-speaking countries, aristocrat and democrat, capitalist and labourer, scholar and artisan, General and private, classes and masses, had been, all alike, told continuously that they were fighting for Democracy against Autocracy, for liberty against tyranny.

What Democracy was, or is, or should be, they were not often told except in phrases of vague idealism which meant nothing to the average workman and to the plutocrat constituted an empty platitude. So obvious was this that before the War was technically over, before the fruits of peace were more than a rainbow of hope, the workers were organizing everywhere for strikes and a number of leaders and workmen were denouncing Democracy, as something which did not concern them, and advocating Communism, Marxian Socialism, Bolshevism or varied anarchical doctrines which were the antithesis of all that this word was supposed to embody and for what their different nations or peoples had been fighting so bravely and with such tragic losses. The Democracy of history, of British development during a thousand years of political action and the growth of suffrage, of past wars for liberty and revolutions against oppression, was the principle of majority rule, of majority control and government. Only in this way could the power of the people, the will of people, the voice of the people as a body or combination of communities, be adequately expressed. No class in the nation, or part of a class could, it was obvious, forcibly seize or hold control and be democratic, or the State thus controlled be a Democracy. Class government was obviously just as much opposed to democratic principles and ideals, if run by workmen who did not represent a voting majority of the whole people, as would be a class government similarly run by aristocrats or millionaires.

A Democracy without the working class could not exist; it was

and is a contradiction in terms. Without the educated, intelligent, travelled, experienced classes it was and must be a ship without a pilot, a train without a conductor, a business without a manager. The men and nations who struggled for Democracy in past centuries made many mistakes, produced crude systems or tried ill-digested plans of government or legislation; but they usually fought against a concrete condition of alleged oppression, included in their ranks all classes of the community and embodied their achieved results under working forms of law and order, acceptable to the majority of the people concerned. The Barons at Runnymede fought for the whole people against the tyranny of a King; Hampden and Pym struggled against unjust taxation and, in doing so, found themselves in a majority which eventually overthrew the whole governing system; George Washington and the people of the Thirteen Colonies resisted what they deemed to be unjust rule and won liberty for their people; William of Orange represented the majority of the British people in his struggle for what he considered religious equality and the throne of James II collapsed in a night. But all these and many other conflicts represented principles, not classes; when there was Civil war it was only an unfortunate means to an end—not, as in the case of modern Bolshevism, an end desirable in itself, with the undisguised autocracy of a class as its final object.

Democracy has never been perfect in aim or policy; in a world such as this it never will be perfect. Just as nations embody the collective characteristics of a people so democratic institutions, in a democratic State, represent the virtues and the faults of the people —the majority create the Government and mould the fabric and get what they demand and deserve. The results have often been crude in form, questionable in many details, doubtful in their realization of ideals but, at least, the opportunity was there for the masses to voice their aspirations and to put their projects to the test of practical operation. As the year 1918 developed it found, everywhere, the widest suffrage conditions and extended opportunities for every class and section in civilized countries to impress themselves upon legislation, to help in moulding the laws and to share in the government of their respective nations. It also found, as Democracy finally came into its own, with practically every man and woman entitled to a vote, with an organized system of law and order under which to express their opinions, that a wholesale revolt was under way against all elements of stability, and against the fundamental principles of democratic government.

Free peoples won in the War against Military autocracy; class autocracy, after the war, threatened all the Allied countries and civil war loomed upon the horizon out of the dark cloud hanging over Russia and enveloping Central Europe. The question of the year was as to the success or the measure of success which might be achieved by Democracy in this new conflict thrust upon the world from below just as the great war had been precipitated from above. The self-governing democracies of this period were

in a position to go wrong if they so desired; the excuse was present in the chaotic and bewildering conditions of Russia, Germany, Austria and Hungary with examples of revolutionary change such as the world had never known and to which the Communism of Paris under Robespierre and Marat was merely a preliminary episode. Free peoples had made mistakes before, based upon misunderstandings as to their rights and corresponding duties; they had been often swayed by prejudice and had at times stamped their policies with passion; they might make another and greater mistake.

On the other hand there had been, in English-speaking countries, a long training in political self-control, long experience in handling the ballot, full knowledge of the defects and virtues of a Parliamentary system which, after all, was the only known means of embodying the views of all the people in one governing body. Under this system the Government was not one of a class—it did not rule the community for the farmers alone, or for the labourer and his organizations, or for the manufacturer and his interests, or for the financier and his investments, or for the anarchist and his ambitions. It was not an ideal system, nor was the human nature which controlled it and which it represented, ideal; but it was the best system of popular rule which the world had developed and its mission in 1918 was to make democracy safe for a world which had been freed from one form of autocracy and was now faced by another. The tyranny known under that name has always been the same whether it was that of a Royal ruler such as Philip of Spain, or Wilhelm of Germany, of an aristocratic class or oligarchy, of a religious sentiment such as the Inquisition or the Puritans, of a section of industrial workers led by a Lenine or a Liebknecht or a Bela Kun.

In all the countries concerned at this stage of history local conditions were very varied. The social structure was diverse and the elements back of the structure and upon which it was based, vastly different. In Russia over 80 per cent. were peasants to whom the very forms of self-government, the mere principle of self-control, were phantoms; in Germany there were large industrial and military classes accustomed to discipline and likely to swing to the opposite extreme when force was removed and a license admitted which was falsely called liberty; in France the war had increased the artisan class, but the backbone of the country still lay in the industrious, saving, and cautious peasant—accustomed to share in the government of his country and not inclined to revolutionary extremes. In Great Britain the middle class, though diminished by war and financial conditions, and merged by its labour situation into other classes, was still a potent one with votes which counted and had expressed its power in the return of the Lloyd George Government; the labouring classes were divided into sections which, though very radical, could never unite upon extreme measures of a revolutionary kind. In the United States and Canada farmers and workmen owning property were a substantial part of the population and not interested in revolutionary schemes, as a

rule, though outspoken as to their own special concerns—the proportion of the population likely to benefit under conditions of anarchy was very small and, in the majority of cases, alien in thought and race.

If, in Britain, Canada, Australia or the United States, Democracy should face a serious fundamental issue and succumb to it the result would be largely owing to lack of education of the masses by leaders in public life and by the press—the rule of the demagogue rather than of the statesman. The problems of the day were many. To one writer or thinker the more equitable distribution of wealth was the keynote of conditions; to another all wealth was the product of the workman, and should belong to him; to another the Government should own and control all the sources of production and distribution; to an American speaker peril lay in the fact that the farmers controlled one-fifth of the National wealth, produced one-third of the gross new wealth of the country and paid about one-one hundred and fiftieth part of the direct taxation; to another the secret lay in bringing people under the autocratic and alleged moral laws of the Almighty; to many Socialist agitators, the wage was a badge of slavery, the ordinary workman worse than a slave in the days of Nero and the employers or capitalists were slave-drivers and blood-profiteers.

Beneath it all lay fundamental but unappreciated facts—that all classes are selfish as are most individuals; that the majority of people work because they have to and not because they like to; that modern competition in labour, in business, in modes of life, is continuous conflict; that a nation can be no better than the units which comprise it and that people who submit their wills to a demagogue are no better off than those who, in the past, submitted theirs to a Royal autocrat; that the basis of all wealth is production—from the soil or the factory, by hand or machine or brain-power; that the measure of production is controlled by the amount of capital available in a country, or community, with which to reward and pay for the labour involved; that the availability of this capital is dependent upon the trained knowledge, the intellectual skill, the experienced management of those who direct its application and obtain a profit; that without guidance and knowledge in these days of big things, of steam and electricity, of science great in war and greater in peace, of international finance and trade and labour no great national development is possible—with Russia as a living or dead example; that Democracy requires for its application and development a free, patient, reasonable discussion as amongst individuals and classes, compromises and give and take in its practical operation, popular self-control, moral bases of thought, honest and searching expressions of opinion, and an absence of small animosities and large hatreds, for its efficient exercise. It needs, in detail, a willingness of classes to co-operate, to seek the means of co-operation rather than of conflict, to strive for union and peace rather than disintegration and civil war. It needs, in economic circles, the perception of a fact well illustrated

in the following question and answer: "What is the most important thing in business—Labour, Capital or Management?" The answer given was another question: "Which is the most important leg on a three-legged stool;"

This element of Labour was the one most under discussion in 1918. The economic difficulties under Democracy were found to be as great as under autocracy. The rich were just as rich and perhaps more so in America; the poor were just as poor and though better off in wages, had to pay much more for everything. The workmen organized and struck and obtained higher wages; the employer resisted but, when he gave way, added the increased wage to the price of his product which the consumer, including the workman, paid. If there were sympathy strikes there were sympathy increases of price; the manufacturer added to the price of his product the increased cost of labour and a little more, the farmer and his middlemen added something very similar to the price of food—and so the wheel of economic "progress" went on.

The Social structure of Democracy was being thrown into a new melting-pot. The preceding century had changed society in England from a combination of the leisured, aristocratic, cultured, responsible ruling class, a business, financial, and industrial, or middle class, and a big workingman class which accepted authority and recognized class distinctions, into a mass of people with Democracy as a sort of national fetish but with no clear conception of what it meant. A soap-maker could, by public service, become a Peer, a workingman could, through the Mayoralty of his native town, become a Knight, a Labour leader and workman could enter Parliament and, like John Burns or George Barnes, become a member of the Government. With the under-currents and aftermath of the War new ideas came uppermost—how far they would go depended upon that most cautious and conservative of all principles, the common-sense of the British mind. In America the situation turned upon industrial conditions mainly—the rivalry of wealth and labour, the possibility of closer combination or a complete revolutionary severance. Everywhere, in all countries, respect for conventions, regard for traditions, appreciation of class distinctions, or recognition of State dignities, crumbled almost visibly.

The reaction from the high tension of war, from self-sacrifice and hero-worship, from idealism and patriotic suffering, took form as a sort of contempt for all regulations, a disgust for restrictions, a rough and ready overthrow of habits, or prejudices, or convictions. The Russian collapse and demoralization with its initial stages of world-delight over a great triumph of Democracy helped to intensify and widen the war-reaction when it came. The whole struggle against autocracy and then the triumph, or rather supposed triumph, of the Russian masses was often taken, directly or indirectly, to mean the coming downfall of all authority—out of the subtle current of thought along this line came most of the movements which in 1918 threatened Democracy everywhere. There

could only be one end to such a conflict; the question was as to how long it would be in coming and how much trouble might be faced before Democracy, as an ordered, law-making, law-accepting, but liberty-loving, ideal would be again established in full authority. Let Mr. Lloyd George's definition as delivered on Jan. 18th, to the British Labour Conference, conclude this brief reference to a vital subject:

> What is Democracy? Democracy, put into plain terms, is government by the majority of the people. If one profession, one trade, one section, or one class in a community claims to be immune from obligations which are imposed upon the rest, that is a fundamental travesty of the principles of democracy. That is setting up a new aristocracy. You and I in the past have been fighting against privilege. I hope that we shall be fighting on the same side again. We are fighting now against the privilege claimed by a military caste. Democracy if it means anything, must mean that the people of all classes, all sections, all trades, and all professions, must merge their privileges and their rights in the common stock.

Socialism; Its Origin, Nature and Varied Elements.

Interjected into these conditions of the increased war-cost of living, the growing peace-cost of strikes, the enhanced public-cost of higher wages, a vast confusion in popular thought, an unrest in all the social and class conceptions of the people, a steady submergence of religious ideals and moral ethics in a state of concrete materialism, was the persistent pressure of Socialistic thought. A dominating question of the day was this: "What is Socialism? The answer came in as many and changeable forms as the colours of a chameleon. To the Bolsheviki in Russia and Central Europe it meant the power of a small class of industrial workers, supported by the poorer peasants or farm labourers, to control by force all the other classes of a great country and to turn the so-called upper classes of the past into hewers of wood and drawers of water; to the Socialist of England it meant the overthrow of private ownership and destruction of private profit, the turning of the State and its Government into a huge ownership of public utilities, national land and industries—a gigantic employer of labour controlled by the votes of the labourers who, also, held mixed views as to what should be controlled by the State and what should be handed over to the workers; to the Socialist of Canada, the United States and Australia, it was largely a matter of class dislike, of antagonism to the capitalist, of an endeavour to obtain for the workmen the control of all the means of production and of all the products of their labour.

These and other forms of Socialism mixed and merged into one another and sometimes were *camouflaged* in public view by the simple economic form represented by the Government control of a public utility such as the British Post Office, or Australian railways, or the Ontario Hydro-Electric System; or by the purely sentimental ideal of clergymen who frequently preached the doctrine of what they termed Christian Socialism—the doctrine of Christ put in terms of economics. But the origin of modern Socialism

was in Germany and its founder was Karl Marx, a native of the Rhineland, born in 1818 and heralded, during the past half century, as the discoverer of the alleged scientific fact that all social wealth is an accumulated surplus value created by the worker over and above what he receives for his labour. As his associate, Frederic Engels, put it: "Marx was above all a revolutionist. To co-operate in the overthrow of capitalistic society and the political institutions created by it, to aid in the emancipation of the modern proletariat—to which he had first given the consciousness of its own condition and necessities—that was his true life vocation." His famous book, *Das Kapital*, pictured wealth at one end of the social scale and misery, toil, ignorance, degradation, at the other end, and preached continuous, deadly class war in order to change this condition: "Workers unite! You have all the world to win and only your chains to lose!" This work was and is the Koran of the Socialist creed, the Bible of the modern Bolshevist; though Marx only wrote the first volume in 1862 and the other two were edited and completed by Engels.

Meantime, the two men had issued their Communist Manifesto which, after 1848 when it first appeared, was translated into many languages and transformed at once the old-time Socialism of the middle classes in the early forties—a thing of mild-mannered theory and superficial tinkering with Social problems—into a crude but stern working class movement. In this document the word, Bourgeoisie, was described by Engels in a foot-note as meaning "the class of modern capitalistic owners of the means of Social production and employers of wage-labour." The word Proletariat meant "the class of modern wage-labourers who, having no means of production of their own, are reduced to selling their labour-power in order to live." The Manifesto proceeded to develop a new theory of history. That usually understood and studied and specialized by the intellects of many centuries was a picture of nations rising and falling through the impulses of their people leading in certain directions, or the ambitions of their rulers directing action along defined lines of statecraft, religion, thought, finance, trade, national necessities or military aspirations. So it was with the Russians whose greatness was due to their essential military conception of power; so with the Hun ancestors of Marx and Engels whose attributes, under rulers such as Atilla, had nothing to do with labour and much to do with robbery and public plunder; so with the policy and expansion of Spain in the great days of Phillip which was based upon intense religious sentiment or the policy and action of England under Cromwell; so with France under Napoleon, or Germany under Wilhelm, when the people were, in the main, united in a willingness to work and fight for world dominance—so, also, with the 13 Colonies under Washington. Yet the great scientific historical discovery of Marx was this: "The history of all hitherto existing society is the history of class struggles. Freeman and slave, patrician and plebeian, lord and serf, guild-master and journeyman, in a word, oppressor and oppressed,

stood in constant opposition to one another, carried on an uninterrupted, now hidden, now open, fight, a fight that each time ended either in a revolutionary re-constitution of society at large, or in the common ruin of the contending classes."

In this Manifesto there, also, was much that the opponent of modern materialism or of the deification of gold which reached such a height in the years preceding the world-war might well approve; modern life has, for instance, stripped of its halo many a once-honoured occupation, removed fixed relationships of the past, and destroyed ancient and venerable prejudices or opinions as Marx and Engels claimed. But no one class was responsible for all this or for the exploitation of labour, of land, of money, for purposes of profit. It was a national, gradual, evolution of life; the freer the country and more democratic the conditions, the greater was the volume of trade and business, the more commercialized were the people. Marx, to give his case a basis, to prove that all history had been a series of class exploitation and that all the future depended upon the worker class taking control, invented a colossal force of his own, with continuity of action through the centuries, and with but one common interest—the exploitation of labour and the oppression of the workman! Whether Princes or nobles, crusaders or priests, courtiers or soldiers, pioneers in new lands or sailors and gallant adventurers upon the Seven Seas, the Puritan in New England, or the Loyalist in Upper Canada, the settler upon the African veldt or the trader in Hindustan—all alike constituted a class deliberately bent upon enslaving the worker!

Marx and Engels laid special stress upon a European class between the aristocracy and the masses which oppressed the latter in a cruel, and organized, and continuous fashion to which, curiously, History has paid little attention: "Then in proportion as the Bourgeoisie *i.e.*, capital, is developed, in the same proportion is the Proletariat, the modern working-class, developed, a class of labourers, who live only so long as they find work, and who find work only so long as their labour increases capital. These labourers, who must sell themselves piecemeal, are a commodity, like every other article of commerce and are, consequently, exposed to all the vicissitudes of competition, to all the fluctuations of the market." This Proletariat was the weapon forged by the Bourgeoisie which, eventually, was to bring death to its maker and Marx thus described the final stage in its development: "In the conditions of the proletariat, those of old society at large are already virtually swamped. The proletarian is without property; his relation to his wife and children has no longer anything in common with the bourgeoisie family-relations; modern industrial labour, modern subjection to capital, the same in England as in France, in America as in Germany, has stripped him of every trace of national character. Law, morality, religion, are to him so many bourgeois prejudices, behind which lurk in ambush just as many bourgeois interests." If Canadian workmen can recognize themselves as a Proletariat they must

have vivid imaginations! The Platform or policy of the Communists, or Marxian Socialists, was put by Marx and Engels in a rather vague way as to some points; very clearly as to others. The abolition of private property was urged, the destruction of "bourgeois individuality, bourgeois independency, and bourgeois freedom" was declared essential; the abolition of bourgeois marriage laws and family life and the constitution of "an openly legalized community of women" was advised; these things involved, of course, the abolition of religion and, as most sane people believed, then and now, a relapse into savagery. The following were the detailed measures thought to be "pretty generally applicable to all countries":

1. Abolition of property in land and application of all rents of land to public purposes.
2. A heavy progressive or graduated income tax, and abolition of the right of inheritance.
3. Confiscation of the property of all emigrants and rebels.
4. Centralization of credit in the hands of the State, by means of a National Bank with State capital and an exclusive monopoly.
5. Centralization of the means of communication and transport in the hands of the State.
6. Ownership of factories and instruments of production by the State.
7. Equal liability of all to labour, and establishment of industrial Armies.
8. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equable distribution of population over the country.

To this was added the following comment: "When, in the course of development, class distinctions have disappeared, and all production has been concentrated in the hands of a vast association of the whole nation, the public power will lose its political character." A little further on, the future devotee of an ideal Socialism was advised that Christian Socialism is but the Holy Water with which the priest consecrates the heart-burnings of the aristocrat! Various forms of past and current Socialism were reviewed and in conclusion the world was told that the followers of Marx must everywhere support every revolutionary movement against the existing social and political order of things. In all these movements they must bring to the front, as the leading question in each, the property question—"their ends can be attained only by the forcible overthrow of all existing social conditions." As the years passed all kinds of Socialistic doctrines were based upon this Manifesto and upon the larger and later works of these two men. The International Workingmen's Association was formed in London on Sept. 8th, 1864 with a Declaration of Principles written by Marx. This little document was a summary of parts of the Manifesto calculated for countries not so "advanced" as Germany and formed a fresh basis for Socialistic growth in all countries. Though the "Internationale" passed in 1876 it was succeeded by a series of European Congresses and by a permanent Committee with headquarters at Brussels. The Declaration was as follows:

In consideration that the emancipation of the working-class must be accomplished by the working-class itself; that this struggle does not signify a struggle for class privileges and monopolies but for equal rights and duties and the abolition of class rule; that the economic dependence of the workingman upon the owner of the tools of production, the sources of life, forms the basis of every kind of servitude, social misery, spiritual degradation and political dependence; that, therefore, the economic emancipation of the working-class is a great end to which every political movement must be subordinated as a simple auxiliary.

In this way Germany flooded the world with doctrines which its own people would not accept as a nation but which they afterwards forced by militarized and autocratic propaganda down the throat of Russia; and then had to accept in large doses during their own days of defeat and revolution. It did work out the Government ownership idea in special interests or enterprises and this was particularly attractive, also, to British and American communities; in later years most of the other elements of the Marxian platform were adopted by the Bolsheviki of Russia, Hungary and Austria, the Spartacans of Germany, a section of the Labour Party in Australia, the Independent Labour Party of Snowden and Ramsay MacDonald, in England, the I.W.W. and One Big Union of the United States and Canada. All International Socialist organizations had practically adopted the Marxian principle that "the workingman has no country" and their policy in the World War showed this clearly to those who were willing to understand. So much for the Socialism of Karl Marx. Of forms and phases there since have been an infinite number; the principles were *camouflaged* in all sorts of ways and some were put to one side as being presently unpopular; but no writer or thinker ever took the place of Marx or has really altered the fundamentals of the movement. The most important forms of modern Socialism may be summarized as follows:

I. National Economic Socialism.

1. State or Government *acquisition*, under arbitration, or Legislative enactment, usually with compensation, of specific enterprises of public character and utility such as the C.N.R. in Canada or Coal Mines in Queensland, or Railways in Australia.

2. State or Government *creation* of certain enterprises for purposes of public utility and to meet obvious public needs such as the Hydro-Electric interests of Ontario or construction of the I.C.R. in Canada.

3. State or Government *operation* of specific public utilities for specific purposes—as with Railways for purposes of national profit and a wide range of interests everywhere for War reasons.

4. Municipal ownership of public utilities such as Tramways, Electricity, Gas, Water supply, Docks, Slaughter-houses, Hospitals, Markets, etc., which reached its highest point of operation in Germany before the War and has, also, been largely accepted in English-speaking countries.

5. All special legislation for the working class of an economic personal nature such as State pensions for Old Age, for Mothers, for Sickness, etc.

6. State or Government or Public ownership, control, and operation, of all enterprises and means of production, whether private or public in origin and of all kinds—financial, industrial, transport, etc.—for all the people of a nation or a country and which is nowhere in operation.

II. Political and Class Socialism.

1. State or Government or Public ownership, control, and operation, *by one class* or section of the people, of the enterprises and interests and means of production in a Nation or a country for the benefit of one class only—the Labouring class or workmen. This was in operation in a part of Russia and in Hungary and had been attempted in parts of Germany. It is pure Marxian Socialism.

2. The forcible seizure by the working class of all organized industries and interests and all the means of production for the use and subject to the sole control of the working class. This, with the political adjunct of a Soviet system was Bolshevism; without any particular system of rule it was I.W.W. doctrine, in a general sense it, also, is Marxian Socialism.

3. Syndicalism, or a plan of Socialistic-Labour compulsion, under which all the workers in a Trade would be formed into one Union and then federated with others in a City, Provincial, State or National organization, and, eventually, into one huge international force. The object was graduated Socialism of the Marxian type—the control of industries by the workers as, for instance, railways by the railway workers, mines by the miners, the Post Office by the postal workers, etc.; the weapon used would be strikes which could paralyze any specific industry at a moment's notice or tie up all the vital industries of a country and at the same time, the country itself if the Labour leaders so decided.

4. The Social principles of Communism under which a new and complete social structure will be created in which all men and women will do physical labour, in which all property will be held in common, in which some vague, intangible, means will be found for holding all persons absolutely equal, in which evil will be eliminated, old moral codes and forms abolished, and the world reconstructed—without apparently changing human nature!

Each of these phases had sub-divisions of thought with various amplifications in practice and the first five were quite practicable in policy, whether wise or not in practice. The sixth was purely theoretical while those numbered one and two in the second section were and are the basic forms of Socialism. The last clause is a purely idealistic policy which is obviously impracticable but which has had many kind hearted or dreamy supporters; by interjecting certain Christian principles and Millennial hopes into original Communism several varieties of what is called Christian Socialism are produced with such generous and sympathetic men as the Bishop of London amongst their supporters; another phase of a largely social reform character was championed by H. G. Wells, Lady Warwick and others in England as what they called the Great State; but none of these had any practical place in the controversy.

The religious and moral side of Socialism or, to be more accurate, its supposed antagonism to all religion and moral laws, was and is of great importance. The attitude of Marx, of Robert Owen, of Lenine and Trotzky, toward women as a mere chattel of humanity was, of course, the antithesis of Christianity, and though the point was not often raised in public discussions in such communities as those of the British Empire or the United States, it lay dormant as a positive principle and was at once put into force by the Bolsheviki in Russia and, had the Spartacans obtained control in Germany, it would have been established there. Morris Hillquit who almost won the New York Mayoralty, declared in his

BRIG.-GENERAL THE HON. J. F. L. EMBURY, C.M.G., D.S.O.,
Commanding Infantry Brigade, Canadian Corps;
Appointed in 1918 to Supreme Court of Saskatchewan.

BRIG.-GENERAL ALEXANDER ROSS, C.M.G., D.S.O., K.C.,
Commanding 6th Infantry Brigade, Canadian Corps,
France, 1918.

volume, *Socialism: Promise or Menace?* that most Socialists favoured dissolubility of the marriage tie at the pleasure of the contracting parties. The Marxian theory, and that of most Socialists after his time, was that the child belonged primarily to the State; that all actions truly conducive to the establishment and success of Socialism were morally justifiable; that the welfare of the Socialist State was the supreme principle and that against this the individual had no rights.*

Roman Catholicism in all countries was and is a more or less keen opponent of Socialism; standing as it does for authority and tradition it could not well be otherwise. In Methodism everywhere, there has, however, been a tendency toward the idealistic and humanitarian aspects, or supposed aspects, of a different and self-created Socialism and this has had many supporters. Wherever a "democratic church," whatever that might be, appealed to the people some vague form of "Christian Socialism" took roots and still further muddled a public mind which knew nothing of the real Socialism. The doctrines of the Catholic Church on this subject were voiced in an Encyclical of Pope Leo XIII (May 15th, 1891) in which he explicitly condemned Socialism† as "injurious to the workingman, destructive of the individual's natural rights, and perversive of the sphere of the State." The proposals of the Socialists, said Pope Leo, were harmful to the labourer, inasmuch as they would deprive him of the opportunity to invest his savings in land for the increase of his resources and the betterment of his condition in life. They violated natural justice, since they would prevent men from safeguarding the future of themselves and their families, through the possession of durable and lucrative property in the earth's unfailing store-house. They tended to "a social condition of manifold disorder and dissatisfaction." These views were re-affirmed by Pope Pius X in an Encyclical on Christian Social Action dated Dec. 18th, 1903.

As Socialism calls for the Government or class ownership of land, mines, and property, and the abolition of all rent and interest on incomes derived from ownership of such property, it seems to face the objection presented by Rev. Father Ryan of New York: "Therefore, the worker would not be permitted to become the owner of anything from which he could derive an income when he became disabled. He could not put his money into savings banks, nor stocks, nor bonds, nor any other kind of interest-bearing wealth. Inasmuch as only a slight proportion of the workers could be self-employed on the small farms, in the small hand industries, and in the few co-operative establishments that the Socialist State could afford to permit, the great majority would be deprived of that sense of independence, manliness, self-reliance, self-respect, and economic power which can come only from property." To the

*Note.—D. R. Francis, recently returned from his post of Ambassador to Russia told the U. S. Senate on Mch. 8, 1919, that he had seen the Central Soviet Decree ordering the nationalization of women.

†Note.—Quoted by Rev. Father John A. Ryan, D.D. in New York *Evening Post* and the Toronto *Catholic Register* of Mch. 14, 1918.

really religious mind which comprehends the philosophy of Socialism its levelling-down policy, its lack of incentive or ambition or personal effort, its basis of economic condition as the chief factor in all existing moral and public law, forms of religion and education, personal beliefs and social relations, must be absolutely repulsive. Logically, of course, it was and is the negation of a God or of any belief in a Divine Creative order and government of the world. To the philosophic student of Marxian ideas early Christianity was an outgrowth of slave and proletariat protest against Roman power; mediæval Catholicism was a creation of Feudal interests and conditions; Protestantism was a revolt against the economic power of the Church; Democracy was the product of a struggle against secular and sectarian tyranny; Socialism was only one more form of the conflict between classes.

As a matter of fact—judging by its laws, principles and practices—Christ could have no possible place in Socialism. It was a purely economic philosophy based upon the materialistic side of human nature; it was entirely destructive in its nature and aimed only at tearing down existing laws, order of civilization, basic structures of society, with no constructive system to take their place except the economic exchange of Communistic for individual, or capitalistic, control of industry. Fundamentally, also, the elimination of free-will, of individuality, of human and personal responsibility in economic, social and personal life was the negation of Christian doctrine. Socialism nowhere recognized or allowed for the spiritual in man any more than it did for the individual in the rewards and duties of work; as the State was everything and, after the German conception of things, should control everything there was no room left for responsibility in good or evil any more than for individuality in economic action. As to the relation of Socialism and religion the majority of Socialists have not deceived each other though they may have deceived the public. To them Christianity was and is merely a product of the capitalistic state and will depart with that system. Wm. E. Walling, an American exponent of the policy, in his *Larger Aspects of Socialism,* declared frankly that the majority of Socialists were firmly convinced that "Socialism and modern science must finally lead to a state of society where there will be no room whatever for religion in any form." Morris Hillquit took a similar view and in one of his books quoted many modern followers of Marx along the same lines while a pamphlet issued by the Socialist Party of Great Britain, in 1918, denounced Christianity, declared that "no man can be, consistently, a Socialist and a Christian," described the two things as "irreconcilably opposed," and supported Marx's gospel of hate as opposed to Christ's gospel of love.

Meantime various species of co-operation had from time to time been vaguely termed Socialism but the Marxian policy was not co-operation or Christianity—it was war; the naked and unashamed conflict of class as was its direct heir, the Bolshevism of 1918. Co-operation was and is a voluntary association of individuals

for the purpose of engaging in the production and distribution of selected commodities in order to save for themselves the profits that would otherwise go to the employer. It was diversion of profits to a part of the public by legitimate, organized private enterprise; it touched Socialism because it came to include numbers of individuals in certain centres or groups of centres. Robert Owen of Manchester was the Father of the movement in England and his original idea was a form of limited Socialism—living under a small group system for production and distribution. But the idea expanded all over Europe into large business co-operative organizations of a wholesale trading character which, in recent years, reached an enormous total of yearly sales.

The War gave a great impetus to the idea in Denmark, Switzerland, Norway, and Holland; Russia was very successful in the plan until revolution and Socialism upset all business arrangements. In England the production and distribution ran into very large figures; in Canada well-known examples were the Grain Growers' organizations of the West. The Government ownership of these years may also be termed Socialistic but it only went a small way in that direction; it took property from the Corporations and vested it in the State but it did not give that property or its values to the Proletariat and it usually compensated the holder—which Socialism did not approve of. Conscription of wealth by taxation had come in recent years to mean something like one of the Marxian planks and its vagueness, especially, was a Socialistic quality; but the popular conception or Government practice of the policy was a heavy taxation of large incomes or profits for the purposes of the State—namely the masses of the people as a whole and not the working class alone to whom real Socialism applied and who would have no wealth to tax in a really Socialistic state. The War needs of many countries conscripted wealth and did it on a large scale —the greatest in history—but it was used for the purposes of the nation and not the objects of a class.

Fundamentally, of course, the basis of this idea, as of Government ownership, was that the people as a whole owned, or should own, the wealth of the country; the difference of this Socialism from the Marxian variety, which in the past four years has sunk its roots into a section of all Labour organizations, was in the definition of the word "people." To the national Socialist it meant the whole nation; to the other Socialist it meant the Labour-class. Hence the wild confusion which marked public discussion of this issue. This confusion of thought was enhanced during the War by the alliance between German Socialism, or the majority party in it which represented 4,000,000 votes, with German autocracy and militarism; at the end the small minority section which had opposed the War became a Bolsheviki wing under Liebknecht and Mehring. The vagueness of the Socialistic conception of things was another element in this confusion. Take the policy as propounded by the B. C. *Federationist* of Vancouver on Nov. 8, 1918: "The abolition of the wage system and the setting up of the co-operative

commonwealth and industrial democracy, with the production of wealth for use, instead of profit, is the only solution of all the problems that now, and hereafter, will face humanity"!

To the practical thinker such a situation was almost inconceivable; to remove capital and profit was to remove all incentive to labour; man, without incentive and the religion which Socialism despised, would revert to producing only for himself or in other words to barbarism, or else live in a savage conflict for whatever he wanted that someone else possessed. How to eliminate capital was at first the mission of the Social-Democrat who lived in a cloud of idealism and repudiated Marxianism as violent and dangerous; just before the War Syndicalism pushed him to one side and, accepting Marx as its mentor, told Labour that the worker class, being the basis of all Social progress, must strike *en masse* to enforce its behests; as the War progressed the Bolsheviki put this idea, or plan, into another form with a certain degree of ruthless success.

International Socialism during the War was tabooed by all Governments except that of Germany which had won the support of its own Socialistic elements and endeavoured to use them in a propaganda of confusion in enemy countries. German Socialism, when the War broke out had been carefully trained to the acceptance of the militaristic ideal for its own State; and accustomed to the thought of German world-domination as the best means to the Marxian end of Social revolt and the workers' control. As Edouard David, Socialist member for Mainz, put it at a Congress of the Social Democratic Party—Warzburg, Oct. 16th, 1917—so it was with the bulk of these German thinkers: "Germany must squeeze her enemies with a pair of pincers—the Military power or the Pacifist pincer. The German armies must continue to fight vigorously whilst the German Socialists encourage and stimulate Pacificism among Germany's enemies." Ben Tillett, the well-known British Socialist, declared in a pamphlet issued at this time that: "I was one of those who, seeing the danger of a general European conflict ahead, would have used the International forces of labour to prevent it by organizing and establishing a universal strike of the workers of Europe if the rulers declared war. Had such a strike been carried out in all the countries it would have made war impossible. When I proposed this to the German Labour leaders shortly before the present war began, they told me that I proposed it not because I loved peace, but because England was afraid of war. England was not ready. Germany was."

Hence the refusal of British labour as a whole to follow Ramsay MacDonald and his Socialist colleagues in their Pacifist attitude; hence the discouragement given by Allied Governments to Conferences of international Socialists during the War; hence the full comprehension abroad of the War attitude of men like Schiedemann and the efforts of Socialists like Karl Renner of Austria and Paul Lensch of Germany to keep Pan-Germanism and Socialism in accord. Hence the interest felt in the Inter-Allied Labour Conference which, finally, was held in London on Feb. 21-23, 1918,

dominated by the Socialist wing of Labour and led by Arthur Henderson, the British Labour leader. The meeting was attended by Delegates from Great Britain, France, Italy and Belgium and by consultative delegates from organizations in South Africa, Roumania and the South Slavic States; the United States declined representation and a cable from Sam. Gompers, President of the American Federation of Labour, stated that "anyone presuming to represent labour in America at your Conference is simply self-constituted and unrepresentative." Troelstra, the Socialist leader in Holland, was not allowed by the British Government to attend and Trotzky, Bolsheviki Foreign Minister, refused passports to Russian Socialists of a non-Bolshevist type. The declaration of War aims and policy issued by the Conference was an elaborate document; it proclaimed the War as a "monstrous product of the antagonisms which tear asunder Capitalist society" and asserted that they (the Socialists) were not at war "with the peoples of Germany and Austria but only with the Governments"; it looked forward to the day when all peoples could again join in fighting "militarism and capitalistic Imperialism."

British Labour and Socialist Conditions in 1918

All Labour conditions were in a state of flux during 1918 and in Britain only one thing stood out clearly and was proved by the result of the Elections —the fact that an overwhelming majority of British workmen wanted to win the War and to win it quickly. Outside of that proposition it was hard to be dogmatic upon any point and even within it there were difficulties. There was, for instance, the threatened strike of Railway engineers and Miners in protest against the proposed "combing out" process for more men under the Military Service Act, which was only prevented by the Prime Minister's personal appeal of Mch. 21st, when he told a deputation that such a course would mean anarchy. that the question of miners and engineers doing their share in National defence was no longer debatable, that at the present moment it would spell ruin as surely as Bolshevist disobedience of orders had shattered the Russian war-front.

There was the July strike of aircraft workers which compelled the Government to take over the Alliance Aeroplane Works; there was the Coventry strike of Munition workers which began on July 29th, and spread to other centres and lasted until the Government issued a mandate that every man on strike would become liable under the Military Service Acts; there was the Omnibus and Tramway strike in London, Bath, Brighton, Bristol, etc., which began on Aug. 17th and lasted until negotiations were entered upon for increasing the wages of women to the men's level; there was the London Police strike (Aug. 29th) for recognition of the Police Union, with increased wages and pensions, which latter points were conceded without definite recognition of the Union though machinery was set up to represent the men; there was a short strike of coal-heavers on the Mersey and on Sept. 14th, the cotton spinners of

Lancashire threw down their tools and 50 million spindles were idle until, on the 23rd, the Premier promised a special inquiry; so with the South Wales railway strike of September which the Government met by sending troops to operate the roads. These strikes, however, were not of permanent war effect, were quickly disposed of and did not touch the great mass of labour.

The Trades Union Congress at the beginning of 1918 had a membership of 4,516,107 workers; J. W. Ogden, J.P., was President and the Rt. Hon. J. H. Thomas, M.P., Chairman of the Committee. The British Labour Party was a distinct organization with W. Adamson, M.P., as Chairman and Rt. Hon. Arthur Henderson, M.P., as Secretary; the membership was 2,219,764 or an increase of 126,000 over the previous year. There was, also, an Independent Labour Party with an alleged membership of 35,000 composed of Socialists, Pacifists, anti-war Labourites, etc., with Ramsay MacDonald as Chairman. This organization was mainly Socialist but there was, besides, a Socialist Party claiming 10,000 members and the Fabian Society with about 2,000 members. These and other Labour leaders and sections were associated with every war-problem of the year and with every branch of national development during these times of stir and stress. In and amongst them were many Socialists of a moderate type, many others of the German or Marxian variety, a certain number of the Bolsheviki character, a large majority with win-the-war determination and a clear after-the-war policy. The Socialist minority was scattered all through these organizations and varied forms of Socialistic thought marked, also, the utterances of most of the Labour leaders and the clauses of Labour policies. Numerically and comparatively the Socialists were not strong but they were tremendously active and exercised an influence quite disproportionate to their numbers—unless it was that they organized and talked while the great majority were working!

Leadership was confusing to outsiders because in most of the strikes the workers refused to follow their recognized leaders amongst whom were Blatchford, Clynes, Adamson, Thomas. Roberts, Hodge, Barnes, Smillie and Ben Tillet. These men proved at this time to be sane, patriotic advocates of a strong war-front with expressed willingness to put the war issues first. Some of them were members of the Government and, up to the beginning of the year, the majority of workmen were behind them in this respect; there was, also, a cleverly-led and aggressive minority with Arthur Henderson, Ramsay MacDonald and Phillip Snowden as its leaders, who desired Peace by negotiation and intercourse, discussion and conference with enemy Socialists and Labourites; and stood behind Lord Lansdowne in the famous letters which urged conciliation and forgiveness of the past.

In the main the British Labour Party included the powerful Trades-Union bodies; opposing yet affiliated interests were the Independent Labour Party or I. L. P. and the Socialists. It was not as yet a distinct political party. Early in 1918, a strong feeling

in Labour circles against continued party co-operation and Coalition with the Government began to show itself. Support in Parliament and the country was assured for a time by the Lloyd George speech of Jan. 5th and its specific statement of war-aims; but the feeling smouldered and was constantly fanned by the Socialist element and Henderson leadership in Conference and speech. As Mr. Henderson put it in an interview on Jan. 22nd: "There's a revolution coming, all right, but it will be a bloodless affair, entirely political. The British people are seeking the means for a swift transition from the old order of things to the new, but they wish it to be smooth as well as swift. We are re-organizing the Labour Party to make it the vehicle for the change!" The re-organization proposed by the Party Executive planned that Labour Party membership would cease to be based exclusively on affiliation with a Trades-Union and would be open to any voter agreeing with the Party programme.

The Nottingham Conference (Jan. 23-5) and resumed on Feb. 2nd, which followed, was an important event with over 800 Delegates present representing over 2,500,000 trades-unionists. All kinds of Resolutions were proposed which covered everything from extreme Socialism to Peace negotiation proposals and censure of the Labour members of the Government. In the Conference the I. L. P. sat separately, but took full part in all discussions into which Pacificism could be interjected, or Mr. Henderson's plan of Allied Socialist and Labour "conversations" with the enemy Socialists be encouraged, or the feeling against the Coalition be promoted. All such amendments were swept aside, however, and the War Aims' programme of the Party Executive approved by a two-thirds vote. The proposed change in the constitution admitting brain-workers and others who were not manual labourers was postponed and a series of declarations approved: (1) Welcoming the recent war-aim statements of the Prime Minister and President Wilson as far as they went; (2) urging the Allied Governments to formulate and publish a joint statement of war-aims along these lines; (3) calling upon the working-class organizations of the Central Powers to declare their war-aims and to influence their Governments to make similar statements; (4) asking for some Labour and Socialist agreement of an International character and urging an International working-class Peace Congress in some neutral country.

The Labour politicians in this Conference expressed the belief that at the next election they could obtain control of the country and at a further Conference on Feb. 26th, decided to organize as a National Labour Party in order to hasten this aim by (1) bringing into the ranks of the Party those who had no need to join Trade Unions and no desire to join Socialist societies, but whose sympathies were democratic; by (2) giving special facilities and encouragement to women electors to join the Party; and (3) by forming local organizations in as many of the redistributed constituencies as possible and putting forward 400 candidates at the next election. A Resolution declaring that the political truce

should be no longer recognized passed by a majority of two to one on a total vote representing 2,650,000 members. Mr. Henderson, in moving this Resolution, intimated that 306 Labour candidates were in the field for the general elections; at the same time there was no desire to see the Government changed at this juncture and the 8 Labour Ministers decided to retain their seats in the Cabinet.

It was at this moment that Wm. E. Walling, an American Socialist, loyal to War conditions, issued an appeal to British labour to stand by their Government and characterized Henderson in England, Schiedemann in Germany, Troelstra in Holland and Branting in Sweden as tools of the Kaiser because of their desire for peace by negotiation or Conference conversations. The British Government, also, refused passports for such a purpose and Havelock Wilson, of the Merchant Seamen's League, reiterated the determination of that branch of organized labour to carry no Socialist peace-makers on British ships. In June the Ministers of Labour and Reconstruction issued a Memorandum foreshadowing the adoption of the Whitley plan of Industrial Councils while, in the House of Commons (June 17th), G. H. Roberts, Minister of Labour, carried a Bill by which 390,000 workers and 17,000 firms operating under the Board of Trade Department in Munitions, etc., would be placed upon a guaranteed compulsory minimum rate of wages and time, with differential rates for overtime.

The British Labour Platform of 1918. The platform and policy of the British Labour Party, as finally evolved out of varied elements of thought and feeling, and Resolutions at its various Conferences, were placed in organized form before that of June 26th, 1918. It was urged that the task of social reconstruction to be undertaken by the Government after the War should involve the gradual building up of a new social order, based not on internecine conflict, inequality of riches, and dominion over subject classes, subject races, or a subject sex, but on a deliberately planned co-operation of worker and capitalist in production, distribution and exchange, the systematic approach to a healthy equality, the widest possible participation in power, both economic and political, and the general consciousness of consent which characterizes a true Democracy. In summarized, abbreviated form the Party declared:

1. That the capitalist system with its stimulus of private profit and evil shadow of wages driven down by competition had proven "far from efficient."

2. That it was vital for any genuine social reconstruction to increase the nation's aggregate annual production, not of profit or dividend, but of useful commodities and services.

3. That the socialization of industry was necessary in order to secure (*a*) the elimination of every kind of inefficiency and waste; (*b*) the application both of more honest determination to produce the very best, and of more science and intelligence to every branch of the nation's work; (*c*) an improvement in social, political, and industrial organization; and (*d*) the indispensable marshalling of the nation's resources so that each need should be met in the order of, and in proportion to, its real national importance.

4. That it was the Government's duty when Peace came to see that the standard rates of wages in all trades should, relatively to the cost of living,

be fully maintained, and that any attempt by employers to reduce the prevailing rate wage would lead to embittered industrial strife.

5. That all existing legislation bearing on industrial conditions required improvement and extension with, also, reforms including a 48-hour week and a legal basic wage which would ensure to every worker in any occupation enough to provide for the full development of body, mind and character.

6. That special public and immediate provision be made for the after-mobilization needs of sailors and soldiers—in unemployment benefits, Government gratuities and the obtaining of situations or small land-holdings. So with the discharge of civilian war-workers.

7. That the Government must fully realize its war-pledges as to the future restoration of all the rules, conditions, and customs that prevailed in the workshops before the war and to the abrogation of all the changes introduced not only in the national factories and the 5,000 controlled establishments, but also in the large number of others to which provisions of the Munitions Act had been applied.

8. That the Government should arrange a ten-years' Peace programme of national and local government works and services—including housing, schools, roads, railways, canals, harbours, afforestation, reclamation, etc.—at such a rate and in such districts as any temporary congestion of the Labour market might require.

9. That the best provision for unemployment was the out-of-work pay of a strong Trade Union, duly supplemented by the Government pre-war subvention-guarantee of the Insurance Act, which should be largely increased.

10. That women should be politically emancipated and work or maintenance at fair rates be provided for all women displaced from their employment to make way for men returning from services with the Forces or other national work; that enquiry should be made as to the suitability of all trades for women and that Trades Union rate of wages should be paid to all women retained in war-time positions; that the principle of equal pay for similar duties should be applicable everywhere.

11. That there should be complete adult suffrage, absolutely equal rights for both sexes, effective voting provisions for absent electors, shorter Parliaments, abolition of the House of Lords and organization of a one-chamber system.

12. That the claim of the people of Ireland to Home Rule and self-determination in all exclusively Irish affairs should be accepted; that the early devolution from Westminster of both legislative and administrative powers was essential, with the establishment of Legislative Assemblies for Scotland, Wales, England and Ireland; that a Federal system should be organized for the United Kingdom with a Cabinet which should include the Dominions and India whenever they desired to come in.

13. That Education should be nationalized, popularized, democratized; that immediate attention be given to the Housing problem, the Poor Law and Municipal Health conditions.

14. That a species of Local Option be given in Temperance reform matters with power, locally, to prohibit, reduce or regulate the Liquor traffic.

15. That Coal and Iron mines be completely nationalized with expropriation on terms equitable to all private interests.

16. That the State should take over and administer the functions and work of Life insurance.

17. That the Government should resume control of the nation's agricultural land, and ensure its utilization, solely with a view to the production of the largest possible proportion of the foodstuffs required by the population of these Islands, under conditions allowing of a good life to the rural population and at prices for the foodstuffs not exceeding those for which foodstuffs can be got from other lands, by (1) large Government farms; (2) small popular holdings; (3) municipal enterprise, (4) co-operative systems.

18. That it is desirable after the War to retain and develop the present system of organizing, controlling, and auditing the processes, profits, and prices of capitalist industry and the centralized purchasing of raw materials,

foodstuffs, and other imports with the rationing of all establishments under a collective control.

19. That it was as much the duty of the Government to protect the consumer by limiting prices as it was the duty of the Government to protect the factory.

20. That in view of the enormous Debts contracted during the War, and of the necessity to lighten national financial burdens, an equitable system of conscription of accumulated wealth should be put into operation forthwith, with exemption for fortunes below £1,000, and a graduated scale of rates for larger totals, and that the direct taxation of land and accumulated wealth be put into operation.

21. That a National Banking system be established based upon the P. O. Savings Bank.

This programme involved the formation of a new Social system, the affirmation of a new power in the masses of the people; it was not Socialism of the Marxian type because it did not preach class hatred or force but its fundamental characteristics were Socialistic in a certain ordered and collective form. Following the Resolutions the Conference discussed, amended and finally approved a Report from the Executive which was issued to the nation under the designation of "Labour and the New Social Order." It was really an expansion and elaboration of the above Resolutions. It admitted that the Government had done much to check profiteering during the War but feared that indispensable industries were now being permitted to return to the unfettered control of private capitalists; all proposals for a Protective tariff were repudiated and a minimum wage of 30 shillings weekly was urged with hours of labour not to exceed 48 weekly. Briefly, this important document claimed to rest upon the foundation of a democratic control of society in all its activities with (*a*) the universal enforcement of a national wage minimum; (*b*) the democratic control of industry: (*c*) a revolution in national finance; and (*d*) the surplus wealth for the common good.

Socialism was fully proclaimed in preliminary phrases as follows: "The individualist system of capitalist production . . . may, we hope, have received a death-blow. With it must go the political system and ideas in which it naturally found expression. We of the Labour party, whether in Opposition or in due time called upon to form an Administration, will certainly lend no hand to its revival. If we, in Britain, are to escape from the decay of civilization itself, we must ensure that what is presently to be built up is a new social order, based not on fighting, but on fraternity—not on the competitive struggle for the means of bare life, but on a deliberately planned co-operation in production and distribution for the benefit of all. . . . We do not, of course, pretend that it is possible, even after the drastic clearing away that is now going on, to build society anew in a year or two of feverish reconstruction. What the Labour party intends to satisfy itself about is that each brick that it helps to lay shall go to erect the structure that it intends, and no other." An interesting section of the document was its treatment of National Finance: "For the raising of the greater part of the revenue now required the Labour

party looks to the direct taxation of the incomes, above the necessary cost of family maintenance; and for the requisite effort to pay off the National Debt, to the direct taxation of private fortunes both during life and at death." A number of special reforms of a more or less political and national nature were proposed:

1. The rehousing of the population to the extent, possibly, of 1,000,000 cottages and an outlay of 300 millions sterling.
2. The immediate making good of the shortage of schools, training colleges, technical colleges, etc., and engagement of the necessary additional teaching, clerical, and administrative staffs.
3. New roads; light railways; the unification and reorganization of the railway and canal system.
4. Afforestation; the reclamation of land; the development and better equipment of ports and harbours; the co-operative small holdings of land.
5. To raise the school-leaving age to 16 and greatly to increase the number of scholarships and bursaries for secondary and higher education.

Following the issue of this document came a significant statement from Sydney Webb, a Fabian Socialist, who declared that the Labour programme of building cottages, expropriating railways, canals, coal mines and other public utilities, the taking over of Life insurance companies and buying out of British landlords would cost half as much as the War or about $25,000,000,000. He claimed, however, that this was imperative in order to secure four Labour essentials: (1) There must be no lowering of the standard of living for the masses; (2) there must be no lessening of national production; (3) there must be equality of sacrifice; and (4) there must be no outraging of the community's sense of justice. These varied plans, however, were too drastic, the numerous proposals too revolutionary, as a whole, for the common-sense of the British workman and this the Elections proved conclusively.

Industrial Councils and the Whitley Report. Associated with this and all other Labour documents or discussions of the period was the famous Whitley Report. Drawn up and submitted to the Prime Minister by a Special Committee of employers and workers with J. H. Whitley, M.P., as Chairman and such members as J. A. Hobson, Rt. Hon. J. R. Clynes, M.P., Robert Smillie and T. R. Ratcliffe-Ellis, its first Report appeared in 1917 and a further one in 1918. The Committee was under instructions to (1) make suggestions for securing a permanent improvement in the relations of employers and workmen and (2) to recommend means for ensuring that such relations should be systematically reviewed. The earlier Report dealt with trades which had representative organizations of employers and employees, urged the time to be favourable for a general re-consideration of the situation, warned all industries that, unless a conclusion was reached there would be grave, industrial conditions after the War, and declared it to be essential that "any proposals put forward should offer to workpeople the means of attaining improved conditions of employment and a higher standard of comfort, generally, and to involve the enlistment of their active and continuous co-operation in the promotion of industry."

To this end it was proposed that His Majesty's Government should present without delay to the various associations of employers and employed the formation of Joint Standing Industrial Councils in the several industries, where they did not already exist, composed of representatives of employers and workers, regard being paid to the various sections of the industry and the various classes of labour engaged. The object of such Councils should be the consideration of matters affecting the several industries and the closer co-operation of all concerned. There should be a National Industrial Council supported by the organization of Works Committees, District Councils and a Council for each industry and the National Council might deal with, or allocate to the subordinate bodies, such questions as the following:

(1) The better utilization of the practical knowledge and experience of the workpeople.

(2) Means for securing to the workpeople a greater share in and responsibility for the determination and observance of the conditions under which their work is carried on.

(3) The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying, and readjusting wages, having regard to the need for securing to the workpeople a share in the increased prosperity of the industry.

(4) The establishment of regular methods of negotiation for issues arising between employers and workpeople, with a view both to the prevention of differences, and to their better adjustment when they appear.

(5) Means of ensuring to the workpeople the greatest possible security of earnings and employment, without undue restriction upon change of occupation or employer.

(6) Methods of fixing and adjusting earnings, piecework prices, etc., and of dealing with the many difficulties which arise with regard to the method and amount of payment apart from the fixing of general standard rates, which are already covered by paragraph three.

(7) Technical education and training; Industrial Research and the full utilization of its results.

(8) The provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople, and for the adequate safeguarding of the rights of the designers of such improvements.

(9) Improvements of processes, machinery and organization and appropriate questions relating to management and the examination of industrial experiments, with special reference to co-operation in carrying new ideas into effect and full consideration of the workpeople's point of view in relation to them.

(10) Proposed legislation affecting the industry.

Absolute organization for both Labour and employing interests was declared essential and it was believed that regular joint meetings and constant free discussion of industrial conditions would remove friction and meet grievances. The 2nd Report pronounced definitely against any system of compulsory Arbitration, on the ground that it was not generally desired by employers and employed, that it had not proved a successful method of avoiding strikes during the War, and that it would be less likely to be successful in time of peace. It also opposed any scheme of Conciliation which would compulsorily suspend a strike or lock-out pending an inquiry. The Committee advocated the continuance, however, of the present machinery for voluntary conciliation and arbitra-

tion, and hoped that the setting up of Joint Industrial Councils would promote the growth of such machinery.

Following out these conclusions the British Minister of Labour issued a pamphlet officially supporting the establishment of Councils, defining their constitution and describing their functions as (1) securing the largest possible measure of co-operation; (2) ensuring regular consideration of wages, hours and conditions in each industry; (3) regularizing production and employment and considering the construction of machinery for settlement of differences; (4) the collection of statistics and information and encouragement of the study of processes, design and research in each industry; (5) full consideration and utilization of inventions and improvement in machinery or methods; (6) inquiries into special problems and study of conditions in other countries; (7) improvement of health conditions, and supervision of entry into and training for the industry. Hundreds of such Councils had been formed by the close of the year.

Labour Politics, Parties and Problems. During these months every effort had been made to hold the Labour Party, or a large portion of it, in the War-Coalition of Conservatives, Liberals and Labour. The Labour Conference in the spring and the decision of the Executive to cancel the existing truce made the situation difficult and the coming of the Armistice settled the matter so far as Labour officials were concerned. The Labour members of the Government—G. N. Barnes, John Hodge, G. H. Roberts, Wm. Brace, J. R. Clynes, Stephen Walsh, G. J. Wardle and James Parker—issued in June, a Manifesto which commenced by pointing out that: "We entered the Government as Labour representatives during a time of over-mastering national need and Labour has, in that time, exercised an unprecedented influence in the councils of the nation. Our position, however, is being rendered very difficult by incessant sniping on the part of anti-national factionalists who, taking advantage of our own pre-occupation, attack us through the Labour press and other means open to them." Despite difficulties, and the compromises essential to a Coalition, greater measures of democratic reform had, during the past three years, been passed than in any previous period. A warning followed as to Russia, which country illustrated "the evils with which we are threatened."

As to the rest the schemes of the Henderson-Ramsay MacDonald wing of the Party and their influence were hinted at as follows: "There are, however, ominous signs of division. We regret it, but we regard it as the inevitable outcome of the course of conduct, to which we have referred, on the part of certain persons who have assumed a right to speak for Labour but who fail, we believe, to realize the momentous issues involved in the War." On Nov. 14th a London Conference of the party was held and a Resolution moved declaring that, in the new Parliament, the Labour Party should be free to promote its own Reconstruction policy; that, in any case, a

general election held for the choosing of a Parliament to carry on business after the War, terminated the conditions under which the Party had entered the Coalition; that the Party should now resume its independence and withdraw its members from the Government. J. R. Clynes, a Labour member of the Cabinet, moved an amendment that the existing agreement should last till the end of the War but this was defeated by votes representing 1,844,000 members to 891,000 and the original motion was carried by 2,117,000 to 810,000. Officially, the Henderson section had gained the day; practically they could not control the workingmen of the country who voted in the Elections to support Lloyd George and his policies and only returned about 70 Labour members out of 700 members of the House.

Meanwhile, at Derby on Sept. 4th, the 50th Annual Trades-Union Congress had been held and all sides of the Peace question debated, with Labour pacifists and militarists in keen controversy. A compromise Resolution, approved by Thorne, Thomas, Tillett, Havelock Wilson and Roberts was finally carried which declared (1) that the holding of an international Labour and Socialist Conference was an essential preliminary to peace; (2) called on the Socialists of the Central Powers to state their war-aims in response to the memorandum of Inter-Allied Labour; (3) demanded Labour representation at the coming Peace Conference of the Powers; (4) urged the Government to initiate peace negotiations immediately the enemy, either voluntarily or by compulsion, evacuated France and Belgium; (5) expressed belief in the principles of the Socialist Internationale as the safest guarantee of the world's future peace. The Congress voted by a majority representing more than 3,000,000 persons to continue its co-operation with the Labour Party. Resolutions were passed in favour of a 48-hour week, abolition of the House of Lords, nationalization of Mines, Railways and the milk business, Government control of agricultural land, the establishment of national kitchens and restaurants, the continuance of a Free-trade policy, the restoration of pre-war liberties and labour rules and regulations, an increase in Old Age Pensions, Home Rule for Ireland, a national Housing policy and an improved educational system.

A very important subject of discussion at this time was the question of Labour Unions returning after the War to former rules and regulations. The Rt. Hon. G. H. Roberts, Minister of Labour, stated in an interview on Nov. 2nd that: "War necessities have compelled a real industrial revolution in Great Britain. For the first time we have adopted up-to-date methods of organization and equipment. Into four years of war has been crowded the progress of a generation. After the War, therefore, an entirely new industrial situation will emerge. I think that no one will be sorry for it. British labour, I am sure, will not be too slow in learning the great lesson that in order to recreate large export trades, to liquidate stupendous war indebtedness, to provide higher wages than existed before the War and to maintain the war-raised living-

standards, production must continue to be stimulated in peace as it has been in War." Mr. Lloyd George told a Conference of delegates representing the 15 greater industries of the nation (Nov. 13th) that it was the Government's intention to stand by its pledges in this respect and he asked for a body representing employers and workmen which would advise with the Government as to the best means of doing so without any serious dislocation of industry.

In this connection Sydney Webb, the old-time Socialist, dealt with *The Restoration of Trade Union Conditions* after the War in an important book of the year and indicated the following changes as having taken place through the co-operative war action of Government, employers, and workmen: (1) Altered the processes of manufacture, in part, so as to enable work formerly done by skilled craftsmen to be done by women and labourers; (2) introduced new and additional machinery with the same object in view and increased the proportion of boys to men; (3) substituted piecework and bonus systems for time-wages without any collective agreement or piecework list of prices, or other protection against a future cutting of rates; (4) increased the hours of labour, sometimes refusing also any satisfactory addition for overtime, night duty, and Sunday work; (5) speeded up production and dispensed with customary understandings among the workers of what constituted details in a fair day's work; (6) suppressed demarcation disputes and ignored all claims for special customs and methods of work. While these changes had been made for the War period only Mr. Webb did not believe it possible to go back: "To put it plainly, we could not restore that part which has been abrogated of the network of rules, usages and customs that existed before the War, even if this could anyhow be done, without undoing the new industrial revolution; and without making, in a reverse direction, as sweeping a change throughout British manufacturing industry as has been effected by that revolution." He could see no way out—nothing but increased discontent, workshop reprisals, silent limitation of output, sullen resentment!

Of a very different character from these conclusions was the proposal of Lord Leverhulme, a great manufacturer and employer. He believed in a six-hour day of four shifts; he did not believe in the Conscription of wealth. In a volume published during the year he described wealth as represented not only in factories, workshops, machinery, ships, horses, cattle and sheep, but in furniture, pictures, china, works of art, houses, land, railways, etc. It included the savings of the frugal father for his widow and children equally with those of the millionaire. The depreciation in war-time or revolutionary values alone made the taxation of wealth to a confiscatory degree impossible as the result would be a total so small as to kill its own purpose: "There is only one way available, to enable us to repay our war loans, to re-establish our mercantile marine, our trade, commerce and manufactures after this welter of a world war, and that is to stimulate the production of wealth

and to tax the annual income to the limits of utmost yield, but always so that the producers of wealth are encouraged, stimulated, and left with the necessary means for the production of more wealth." Hence his idea of a six-hour day with four shifts —the factories thus running 24 hours a working day with production greatly increased, the health and hapiness of the work men enhanced, the wealth of the nation immensely developed.

On the other hand Arthur Henderson's book, *The Aims of Labour* was purely Socialistic and political. He claimed that the War-time innovations in the management of industry with its state control or regulation of conditions was revolutionary and would upon the whole, remain as permanent economic changes; he reiterated the Pacifist and Socialist contention that wars—even the great current struggle—were wicked and both sides blameworthy and militaristic. His own Labour Party talked economic Socialism; his book preached revolutionary change in Government and politics and declared the new Party to be based upon the organized working-classes but to be open to every worker by hand or brain—the latter conception being a new development of the year which was intended to make the Labour party a great political force. Russia was described as an addition to the free nations and the Bolsheviki as striving for internal freedom! A few pages further and he asserted that he did not believe in violence and was content to work under and through the Parliamentary system.

Labour Issues and Socialism in the United States

During the United States' year-and-a-half of War a large majority of its workmen proved themselves patriotic and national in spirit while a small minority were as bitter and obstructive as conditions of law enforcement would permit; Samuel Gompers showed himself a sane, masterful leader of the American Federation of Labour which dominated organized labour in the Republic; President Wilson and his Cabinet conciliated the Unions but, at the same time, passed all necessary legislation for the suppression of sedition and, when a great strike seemed unavoidable, they followed the example of England and took over the industry; for the Republican party Theodore Roosevelt stood like a rock against Socialism and for all reasonable co-operation between capital and labour.

There were all kinds of other conditions involved and the polyglot character of American workmen even interjected race issues into the situation and enabled Marxian Socialism and the I.W.W. to flourish until the latter had to be suppressed by law and the former compelled to keep within bounds; it was a race condition which often discriminated between the native American workmen of pro-war instincts and the "Wop" or imported American of foreign language and Socialistic views—a Government Commission, for instance, finding 26 nationalities on the payroll of one Arizona copper camp and 32 in another. Hence, too, an additional difficulty in persuading the management of such concerns to admit

their employees to any control of the business or share in the profits. Hence the real danger in the fact that there were about 2,000,000 Austrian workmen in the United States, largely employed in the basic industries—the iron mines, the coal mines, the steel mills, the copper mines. These men could have paralyzed for a time the whole war-effort of the United States, but, fortunately, they had in a majority of cases no personal love for Austria.

On Jan. 9, 1918, a Commission appointed by the President with W. B. Wilson, Secretary of Labour, as Chairman, reported as to conditions which, in the first six months of the War, had tied up many industries and hampered, in particular, ship-building and aeroplane construction. The unrest in the Western States, the disturbance in Arizona copper districts, the labour situation in the Pacific North-west, were reviewed and responsibility, so far as the mines were concerned, was laid upon (1) distant and non-resident ownership with management of a purely technical character and lacking heart or authority to reach the basic causes of unrest; (2) underlying labour conditions which provoked strikes with no safeguard against recurrence and no apparent cure for evils which did exist; (3) the racial complexity which provided inflammable material for agitators and for the doctrines of international anarchy preached by the I.W.W.

The men were said to be convinced that the business was conducted upon an autocratic basis, and they claimed that they only wanted industrial justice in matters of vital concern to them; the Commission found that the existing grievances as to wages, hours and working conditions were of minor importance. The Commission also investigated California Oil disputes, Pacific coast telephone troubles, the Lumber unrest and the Packing-house disputes of Chicago; one conclusion was that "the available man-power of the Nation, serving as the industrial arm of war, is not employed to its full capacity nor wisely directed to the energies of war." For the existing unrest the Commission blamed industrial evils, the absence of a healthy spirit between capital and labour, and an "unsound industrial structure." Sinister influences—the I.W.W., among others—the Commission found, had taken advantage of this situation to spread their propaganda. An important statement was made bearing upon conditions in Canada as well as in the United States and further illustrated by the British opinions of the Whitley Commission:

> Broadly speaking American industry lacks a healthy basis of relationship between management and men. At bottom, this is due to the insistence by employers upon individual dealings with their men. Direct dealings with employees' organizations is still the minority rule in the United States. In the majority of instances there is no joint dealing, and in too many instances employers are in active opposition to labour organizations. This failure to equalize the parties in adjustments of inevitable industrial contests is the central cause of our difficulties. We need continuous administrative machinery by which grievances inevitable in industry may be easily and quickly disposed of and not allowed to reach the pressure of explosion. There is a widespread lack of knowledge on the part of capital as to labour's feelings and needs, and

on the part of labour as to problems of management. This is due primarily to a lack of collective negotiation as to the normal process of industry. In addition, there is but little realization on the part of industry that the so-called labour problem demands not only occasional attention but continuous and systematic responsibility—as much so as the technical or financial aspects of industry.

As to the I.W.W. they were said to have exercised their strongest influence in fields where the employers had resisted the Trades-union movements. The general conclusions of the Commission were of definite importance. They declared (1) for the elimination of war profiteering; (2) for a collective bargaining and co-operative relationship between employers and men to take the place of the personal relationship which modern industrial conditions made impossible; (3) for the establishment of continuous administrative machinery to deal with industrial issues and to modify by rapid action the atmosphere of contention and the disturbances which come in the later stages of disputes; (4) the establishment of an 8-hour day with emergency overtime payments; (5) unified war direction of the Labour administration of the United States and the surrender by Labour of all practices restricting maximum efficiency —upon assurance of reformed working conditions.

Following this Report the Committee on National Defence prepared a plan for War organization and re-distribution of labour which the President and Mr. Wilson approved and which included machinery (1) for furnishing an adequate and stable supply of workers to War industries; (2) for safe-guarding conditions of labour in such industries; (3) for the immediate and equitable adjustment of disputes in accordance with principles to be agreed upon between labour and capital and without stoppage of work; (4) for safe-guarding conditions of living, housing, transportation, etc.; (5) for the establishment of a Fact-gathering body and the dissemination of information and education. On Jan. 15th a National War Labour Board was appointed by the War Department with 5 members selected through the National Industrial Conference Board (an employers' organization) and 5 through the American Federation of Labour with an additional member selected from the public by each of these sections—W. H. Taft by the employers and F. P. Walsh by the Labour interests. A Report was prepared and submitted on Mch. 29th which approved the permanent establishment for the war-period of such a Board, constituted like the Employers' Conference, and with the following specific functions and powers:

1. To bring about a settlement, by mediation and conciliation, of every controversy arising between employers and workers in the field of production necessary for the effective conduct of the war.
2. To do the same thing in similar controversies in other fields of national activity, delays and obstructions in which may, in the opinion of the National Board, affect detrimentally such production.
3. To provide such machinery by direct appointment, or otherwise, for selection of Committees or Boards to sit in various parts of the country where controversies arise, to secure settlement by local mediation and conciliation.

4. To summon the parties to the controversy for hearing and action by the National Board in case of failure to secure settlement by local mediation and conciliation.

Certain rights were distinctly affirmed as (1) the right of collective bargaining by organized trades-unions and organized groups of employers; (2) the right of all workers to a living wage and the fixing of wages at minimum rates of pay which would ensure the subsistence of the worker and his family in health and reasonable comfort. The Board was constituted by President Wilson on Apr. 8th as an integral part of the Department of Labour and a number of disputes were immediately taken in hand. The Secretary and Assistant Secretary of Labour were members as was Felix Frankfurter, Chairman of the War Labour Policies Board which consisted of the War production chiefs of the Government and War Commissions. This latter institution was, also, established at this time with plans which included a central Labour recruiting agency and the standardization of working conditions; the establishment of an agency through which prompt information regarding labour supply, etc., could be given to industries; the study of conditions affecting industrial relations.

Apart from the ever-restless element in labour, which no war conditions would modify, strikes were kept well in hand during the year—partly because of the above measures, and partly by the clever action of the President in such cases as that of the threatened strike of carpenters in the shipyards when (Feb. 17th) he wrote to the head of the Unions and, after pointing out the War duty of the Government and the Republic added: "Will you co-operate or will you obstruct?" By the middle of the year, a serious problem was in the supply of unskilled labour to war industries and it was partially met by the Employment Service Bureau of the Labour Department with strict regulations to prevent the moving of such labour from one industry to another except by permission of the Bureau. Meanwhile, the President's intervention in Labour difficulties was frequent and his influence undoubted—so much so that, in his comments or appeals, a political press opponent—the New York *Tribune* of Feb. 18th—described him as having attained "the secret of human inspiration."

To the coal miners on Aug. 12th he issued a vigourous appeal to meet a serious situation which then prevailed; to all workers on Labour Day (Sept. 3rd) he addressed an earnest message. But his language was not all of a persuasive nature. To persons who in parts of the country were engaging in lawlessness, showing "mob spirit" and lynching alleged criminals, he issued a statement on July 26th addressed to "my fellow-countrymen" which declared that: "There have been many lynchings and every one of them has been a blow at the heart of ordered law and humane justice. No man who loves America, no man who really cares for her fame and honour and character, or who is truly loyal to her institutions, can justify mob action." To strikers at Bridgeport, Conn., on Sept. 13th, he pointed out that arbitration had given terms which 90 per

cent. of the men had accepted and that the minority were defying their own majority as well as the National War Labour Board: "Therefore, I desire that you return to work and abide by the award. If you refuse, each of you will be barred from employment in any war industry in the community, in which the strike occurs, for a period of one year. During that time the U. S. Employment Service will decline to obtain employment for you in any war industry elsewhere in the United States." A little later, upon the submission of these men, the President compelled the employers to take them back. Even more emphatic than the President's words were those of Mr. Roosevelt. He took a strong stand at the Saratoga Republican Convention, on July 18th, against Socialism and declared that his Party would, after the war, "strive to prevent the further spread of Socialistic tendencies." Labour should have full right to co-operate and combine, subject always, as in the case of capital, to the paramount interest of the public. The following straight-forward talk from a public leader was notable:

> In our industrial activities, alike of farmer, wage-worker and business man, our aim should be co-operation among ourselves and control by the state to the degree necessary, but not beyond the degree necessary, in order to prevent tyranny and yet to encourage and reward individual excellence. There should be no penalizing of business merely because of its size; although, of course, there is peculiar need of supervision of big business. Government ownership should be avoided wherever possible; our purpose should be to steer between the anarchy of unregulated individualism and the deadening formalism and inefficiency of widespread State ownership.

Back of the Government during this War period was the American Federation of Labour and its President, Samuel Gompers; in the Association were 2,700,000 or an increase of 355,000 in the year; to the 20,000,000 workers in the Republic this organization gave strong and patriotic leadership in War action. Mr. Gompers never minced words nor played with policies; he was out for a purpose and to that purpose he stood with consistent force; in that connection he clearly repudiated Socialism in public utterances and Labour policy, vigorously denounced Bolshevism or class-warfare in any form, keenly repudiated the international Socialism which could, as he put it, lick the boots of the Kaiser in Germany or kneel in the mud of anarchy like the Bolsheviki of Russia. On Jan. 1st, 1918, he issued to the membership a call for thought: "In addition to the fundamental principles at issue, labour has an additional interest in the War. This War is in the last analysis a people's war—labour's war. The final outcome will be determined in the factories, the mills and shops, the mines, the farms, the industries and the transportation agencies of the various countries."

In a message of greeting to British Trades Unions on Jan. 10th, he expressed agreement with the general declarations and policy of the British Labour Party and added: "If any call should be issued for an International Conference of Workers of all countries the American Federation of Labour will not participate. The people of Germany must first establish Democracy within their

own domain." During the whole of the year Mr. Gompers earnestly sought to remove friction, to eliminate strikes in all War-industries, and to promote organized war-action. To further assist in these objects he formed the American Alliance for Labour and Democracy which operated along lines which the A. F. of L. might not care to officially support. It was anti-Socialist and pro-war and with the British Allies in every form of co-operation.

In April Mr. Gompers paid a notable visit to Canada and on the 26th addressed a combined meeting of the Senate and House of Commons at Ottawa. It was a speech worthy of the cause, and the organization represented, with the active conduct of the War as its pivotal point; there was little of labour in it except as this was touched by certain conceptions of human right, welfare and justice which he dealt with. Addressing an Ottawa Labour meeting on the 27th he expressed a fundamental policy as to Labour issues: "I do not believe that labour should identify itself with any political party—in fact labour should be free from any party affiliations whatever. The greatest achievements that have been accomplished by labour in the United States are the result of keeping free from any political party. The policy and philosophy of labour should be based to secure for the toilers equal rights with other citizens. Greater rights than of other classes should not be expected by the worker. The laws of the United States to-day declare that labour is no longer a commodity or an article of commerce." He took strong ground as to Pacificism and Bolshevism and Socialism, and described his own conversion in the first connection when the War began. Before the Canadian Club at Ottawa he dealt at length with German Socialism and declared that there had been an understanding between the Socialist political leaders there and the Kaiser's Government: "The philosophy of human brotherhood has always been alluring to me, and I have devoted all the years of my life to it. But, those who know me know I was never fooled by the sophistry and pretences of Socialism. The task of having the people of the world unprepared and defenceless was a conscious or unconscious part played by the German Socialist party."

Co-incident with this visit of Mr. Gompers to Canada was the visit of an American Labour delegation to England headed by James Wilson, for the purpose of conveying fraternal greetings and discussing closer war co-operation. On Apr. 17th a joint session was held with the British Labour Party leaders and in succeeding weeks mass-meetings were addressed at London, Edinburgh, Glasgow, etc.; everywhere, in Conference or addresses, the Delegates took issue with the minority Labourites in England and Socialists in France who wanted a peace by negotiation and conferences with German Labour bodies. They were entertained at elaborate functions by G. N. Barnes, a Labour leader in the Government, by Arthur Henderson, a Labour leader outside of it, and by the Executive Committee of the National Trades Union. They visited France and its battlefields. At the same time a British Labour

Delegation headed by W. A. Appleton made a two months tour of the United States. In August Mr. Gompers was in England and, at a Government luncheon on Aug. 30th, Mr. Lloyd George spoke in eulogy of the guest's war-work and general policy. Lord Milner and Mr. Chamberlain were also present. On Sept. 6th with Mr. Premier Hughes of Australia, he addressed a Luncheon of the Trades Union Congress and the Merchant Seamen's Union. Then Mr. Gompers met a special Inter-Allied Labour and Socialist Conference, called at London to discuss with him the War and Peace situation, and in presenting the views of the A. F. of L. declared its unqualified determination to assist the Allied countries to the uttermost in the winning of the war, the crushing of autocratic institutions, and the carrying out of President Wilson's 14 points.

The situation of United States employers during this period was not, altogether, a pleasant one. They were divided into two large classes—the one which made money through necessary war industries, made reasonable profits, paid high taxes, gave liberally to national objects; and the other which made immense profits and deliberately squeezed every possible cent out of the war needs of the moment, juggled, if possible, their income sheets and contributed as little as possible to any public cause. The public mind was very apt to mix both up together and label them all as profiteers while their workmen struggled for more and better wages with a persistence which did credit to the energy of their leaders. The press was so fond of publishing narratives and pictures and stories of millionaires that the ordinary reader would imagine the population of the United States to be made up of poor workmen on the one side and men like Armour, Rockefeller, Carnegie, Du Pont, Ford, Frick, Gary, Morgan, Schwab, Vanderbilt and Woolworth on the other. A favourite sort of thing was the publication of a list of America's richest men such as that which follows—exaggerated, no doubt, in volume of riches, but interesting as giving some idea of the mass of money, or its equivalent, resting in a few hands:

Name	Fortune estimated at	Chief Source
John D. Rockefeller	$1,200,000,000	Oil
H. C. Frick	225,000,000	Coke, Steel
Andrew Carnegie	200,000,000	Steel
George F. Baker	150,000,000	Banking
William Rockefeller	150,000,000	Oil, Railroads
Edward S. Harkness	125,000,000	Oil
J. Ogden Armour	125,000,000	Packing
Henry Ford	100,000,000	Automobiles
W. K. Vanderbilt	100,000,000	Railroads
E. H. R. Green	100,000,000	Banking
Mrs. E. H. Harriman	80,000,000	Railroads
Vincent Astor	75,000,000	Real Estate
James Stillman	70,000,000	Cotton, Banking
Thomas F. Ryan	70,000,000	Traction, Tobacco
Daniel Guggenheim	70,000,000	Mining, Smelting
Charles M. Schwab	70,000,000	Steel
J. P. Morgan	70,000,000	Banking

Name	Fortune estimated at	Chief Source
Mrs. Russell Sage	60,000,000	Banking
Cyrus H. McCormick	60,000,000	Farm Machinery
Joseph Widener	60,000,000	Traction
Arthur C. James	60,000,000	Mining, Railroads
Nicholas F. Brady	60,000,000	Tractions
Jacob H. Schiff	50,000,000	Banking
James B. Duke	50,000,000	Tobacco
George Eastman	50,000,000	Cameras
Pierre S. du Pont	50,000,000	Powder
Louis F. Swift	50,000,000	Packing
Julius Rosenwald	50,000,000	Mail Orders
Mrs. Lawrence Lewis	50,000,000	Oil
Henry Phipps	50,000,000	Steel

It was such facts as these that promoted Socialism and bred discontent—the possession of such enormous wealth seemed so incongruous, unfair and useless; a not always satisfactory answer was that the use and distribution of wealth was what counted and not the nominal possession of so many bonds and such and such stocks; a better one was that the war-taxes were adjusted so as to take huge slices off the larger incomes. The owners of some railways and factories and certain shipping interests benefitted largely by the War; what they did in return was negligible. George E. Roberts, a well-known banker, put another view of the issue in the N. Y. *Tribune* of Aug. 19th as follows: "Well, neither labour nor capital in themselves get very big pay; it is intelligence, foresight, judgment, coupled with labour and capital, that get the large rewards, and this ought to be so. Society can always afford to pay for leadership, for the ability which guides it into new paths, for being told how to do things better, and the higher the average level of intelligence the more it can afford to pay for leadership, because the greater its gains will be. The great problem of society is how to increase production. It is how to get 30 bushels of wheat to the acre instead of 15, a full bale of cotton to the acre instead of one-quarter of a bale, to get cows that will average 500 pounds of butter a year instead of about 150, to make ten yards of cloth with the labour that now makes five and so on, all around the circle of the industries. That is the way by which living conditions will be improved."

J. D. Rockefeller, Jr., in addressing the Canadian Club, Ottawa, on Apr. 13th, described Labour troubles as largely due to the impossibility of personal contact between employer and employees in these days of great industries, scientific and technical control, government by Boards and stockholders; there should, he thought, be Committees of an equal number of officers and employees to deal with working conditions and other such matters, and there should be an avenue of approach whereby the least important workman could, in orderly succession, go as high as the President of the Company with his grievance. This view and others of a progressive

character, were approved at a Reconstruction Conference of industrial leaders in Atlantic City at the close of the year when the following bases of action were laid down: (1) Admission of the right of workers to organize and to collective bargaining; (2) setting up of impartial agencies to interpret and apply agreements and to make prompt and authoritative settlements of difference; (3) the right of all workers to a minimum living wage which should be standardized and represent a standardized measure of labour.

Another side of the shield was seen in the Federal Trade Commission Report of June which charged "inordinate greed and barefaced fraud" against some of the great industries of the United States. The five big packing-houses—Armour, Swift, Morris, Cudahy and Wilson—were specified as having monopolized the meat industry and attempted the domination of other products, with profits of 140 millions in 1915-17 of which 121 millions were said to be in excess of pre-war profits in a similar period. The net profit of the U. S. Steel Corporation was, in 1917, 244 millions or 24 per cent. on the investment; tanners, millers, condensed milk makers, copper companies, the sulphur industry, were specified, with profits running from 24 to 65, 107 and 236 per cent. In order to conceal these and greater profits salaries were forced up, huge sums written off and capital stock watered. Armour & Co. raised its capital stock from 20 to 100 millions without receiving an extra dollar of cash. The American Metal Co. of New York was specified in the salary connection, and with rather significant names, as follows:

B. Hochschild,	Chairman of Board	$179,666
C. M. Loeb,	President	364,246
Otto Sussman,	Vice-President	221,596
J. Loeb,	Vice-President	147,930
Sol. Roos,	Manager, St. Louis	148,530
M. Schott,	Manager, Denver	136,553

These were conditions which did more to encourage Socialism and its wilder outputs than any amount of Russian propaganda or German work could have done. As extremes come together the Railway employees demanded increased wages which aggregated 1,000 millions of dollars and the I.W.W. prospered during 1917 and in part of 1918. Out of these and other conditions there came also a good deal of support to economic Socialism as well as to the violent variety. Support came from everywhere: (1) In Government control or ownership of industries for war purposes; (2) in the moderate policy of graduated lines of State control or industrial partnership; (3) in the openly avowed class warfare hatreds and violence of the I.W.W. and Bolshevists. During the War many Socialists stood by the country and backed up Gompers who was personally opposed to Socialism. Of these men John Spargo was probably the leader and his views as expressed in *The Common Sense*

of Socialism, published in 1911, stood as the policy of his party and himself when the War should be ended.

In this volume he dealt with the economic causes which he believed to constitute the basis of support in the United States for his advocacy. He quoted with approval Dr. Spahr's estimate of 1895 that one per cent. of the people, or 125,000 families, owned 54 per cent. of the wealth of the nation or $32,880,000,000; that the middle class or 1,362,500 families owned 32 per cent. of the national wealth or $29,320,000,000; that the "poor" families numbered 4,762,000 with 13 per cent. of the wealth while the "very poor" were 50 per cent. of the population without any wealth. The figures are given as illustrating the extremes of statistical advocacy; as a matter of fact the national wealth of the United States in 1918 was put at 220,000,000,000 or nearly four times the total of 1895 and, outside the slums of great cities, there was little real poverty in the country—though extremes of wealth and poverty still existed in the big centres.

On the other hand there was a great and admitted increase in general comfort and the scale of living with work and wages for every man or woman who wanted them. Spargo was, in some respects, a typical Marxian Socialist: "The outcome of the struggle between the master-class and the slave-class, between the wealth-makers (labourers) and the wealth-takers must be the victory of the makers." He followed this up with a definition of Socialism as a philosophy of social evolution and a system of economy. In the former case "it teaches that the great force which has impelled the race onward, determining the rate and direction of social progress, has come from man's tools and the mode of production in general." In the latter case "Labour applied to natural resources is the source of the wealth of capitalistic society, but the greatest part of the wealth produced goes to non-producers, the producers getting only a part, in the form of wages. His principles were summarized as follows:

1. The first principle is that wealth in modern society consists in an abundance of things which can be sold for profit.
2. The second principle is that wealth is produced by labour applied to natural resources.
3. The third principle of Socialist economics is that the value of things produced for sale is, under normal conditions, determined by the amount of labour socially necessary, on an average, for their production. This is called the labour theory of value.
4. The fourth principle of Socialistic economics is that the wages of the workers represent only a part of the value of their labour product. The remainder is divided among the non-producers in rent, interest and profit. The fortunes of the rich idlers come from the unpaid-for labour of the working-class. This is the great theory of "surplus value," which economists are so fond of attacking.

He went on to explain that only the labourer works! "I never heard of a man getting rich through his own labour." Like Marx and his many followers he could or would only see manual labour;

though the mental and even physical labour of writing a serious book was within his own experience. The labour of the mind and intellect, the worries which eat out the physical life of rich or responsible men, the mental strain necessary in these days to make money in business or stocks, in the management of industries or in the direction of financial institutions, were all ignored. He described the Socialism of Marx and Engels as modern and scientific, as that "upon which the great Socialist parties of the world are based," and as vastly different from the utopian views of Robert Owen and others of his humanitarian type. Finally, he quoted the 1904 national platform of the Socialist Party in America and this branch of the subject can be left at that: "Socialism means that all those things upon which the people in common depend shall by the people in common be owned and administered. It means that the tools of employment shall belong to their creators and users; that all production shall be for the direct use of the producers; that the making of goods for profit shall come to an end; that we shall all be workers together; and that all opportunities shall be open and equal to all men."

Tested by their voting strength the Socialists of the United States were not very numerous; in the Presidential election of 1916 they only polled 600,000 votes out of a recorded vote of 18,000,000. But the test was not a good one as, in the issue, Socialism was not specially involved; it would have been equally satisfactory to take the 221,000 votes polled for Prohibition as indicating public opinion in that respect! There were in 1918 no Socialists in the Senate and only one in Congress—and he had a German name; yet legislation was marked by many economic developments of a Socialistic character and politics were influenced in various States by the foreign elements which sought Socialism as being a political ark of refuge for almost anything they wished to advocate. A large Socialist note was polled in New York for both Governor and Mayor; Van Lear served a term as Socialist Mayor of Minneapolis while five seats were won by Socialists in the Minnesota Legislature during 1918; the Socialist vote in Milwaukee was large and Victor Berger, despite his alleged seditious views, was elected to Congress from Wisconsin with 22 others sent to the State Senate or Legislature; the war-time use by Government of Socialists like Spargo, Simons and Walling encouraged, no doubt, a certain adhesion of moderates to the Socialism advocated by these men. It may be added that this latter wing of opinion sent a delegation to England in July, as representing the Social Democratic League of America and including A. M. Simons, John Spargo, Louis Kopelin, Editor of *The New Appeal,* Alex. Howatt, President District 14 of the United Mine Workers of America, Charles Edward Russell, G. D. Herron, and Frank Bohm. They went as supporters of President Wilson's 14 Points and they met various elements of English labour and Socialistic thought.

The Industrial Workers of the World; The One Big Union

The I.W.W. had its inception at a Convention held in Chicago during 1905 when 200 Delegates were present representing 34 Associations which were said to have 144,000 members. Since then it had won a far-flung and stormy history. The ostensible object was the promotion of industrial unionism or the control of industries through general strikes and a Council of workers as opposed to craft-unionism or action through the strikers of a single industry, plant or factory. In the one case an employer would have to deal with all sorts of outside influence and more or less ignorant or hostile pressure; in the latter case he dealt with the workers of his own Company or plant or craft who understood its conditions. The former object the I.W.W. continued to stand for but it was only a small part of a larger project. The class of labour amongst whom the Order secured some support in the United States were as follows: Marine Transport workers, Metal Machinery workers, Iron workers, Lumber workers, Shipbuilders, Agricultural workers, Railroad workers, Metal Mine workers, Coal Mine workers, Textile workers, Oil workers, Construction workers, Bakers. It organized domestic servants on the Pacific Coast and sought for unemployed men everywhere.

Its chief membership, however, was and is largely made up of a nomadic class of workers of the unskilled type—farm hands, lumbermen, etc.; it appealed to irresponsible, worthless characters amongst large groups in many millions of workmen and to workmen who did not want to work, the agitators who made a living by misleading the ignorant, the aliens who were most easily led along lines of disorder and disturbance, the Socialists who were willing to go the full length of Marxian doctrine and not stand shivering on the brink of violence such as the real Socialism inculcates. In accordance with its international character it gradually spread to Canada, to Australia and South Africa and other countries; everywhere its progress, as in the United States where it grew to an estimated membership of 450,000, was marked by strikes of an ugly character, speeches of a seditious tone, advocacy of a revolutionary nature, bitter class antagonisms and violence, disorder and murders.

It promoted strikes and fought vigorously upon issues such as the conviction of Mooney, who threw a bomb in San Francisco which killed six people and wounded 40; it deliberately retarded production and gave slack-work at Government shipyards in San Francisco, Baltimore, Philadelphia, New York, etc.; it increased by strikes the shortage of skilled men in various war industries and promoted local limitations of output.

Platform and Policy of the I.W.W. This form of Socialism—Marxian, I.W.W., Bolshevist—was well summarized by C. H. Cahan, K.C., Canadian Director of Public Safety during the year, in an address at Montreal, on Dec. 12th, 1918: "Socialism recognizes no political or constitutional system of government, no political or State boundaries, no National objects or aims, no international

rights or obligations, except the right and obligation of all members of the working class, of every race and language throughout the civilized world, to unite in a revolutionary movement which shall eradicate the existing political and social systems and establish a new social order, in which the collective social capital of the world shall be administered by the workers of the world for the benefit of the workers, and for no other existing classes or members of society. Under the hoped-for Socialistic *régime*, the State, as we understand it, is to be abolished; and all factories, farms and mines, all railroads, steamships, telegraphs, cables, telephones, or other agencies of transportation and communication, all banks, or other financial institutions, mercantile establishments, or other agencies or means of carrying on trade and commerce, are to be owned and operated by a co-operative commonwealth, in which the workers shall alone participate, and under which the former members of the Capitalistic class, stripped of their property rights, shall again become workers, or be extinguished by starvation." The following is the Preamble to the Constitution of the Order as approved at Chicago:

> The working class and the employing class have nothing in common. There can be no peace so long as hunger and want are found among millions of working people and the few, who make up the employing class, have all the good things of life.
>
> Between these two classes a struggle must go on until the workers of the world organize as a class, take possession of the earth and the machinery of production and abolish the wage system.
>
> We find that the centering of the management of industries into fewer hands makes the trade unions unable to cope with the ever-growing power of the employing class. The trade unions foster a state of affairs which allows one set of workers to be pitted against another set of workers in the same industry, thereby helping to defeat one another in wage wars. Moreover, the trade unions aid the employing class to mislead the workers into belief that the working class have interests in common with their employers.
>
> These conditions can be changed and the interest of the working class upheld only by an organization formed in such a way that all its members in any one industry, or in all industries, if necessary, cease work whenever a strike or lockout is on in any department thereof, thus making an injury to one an injury to all.
>
> Instead of the conservative motto, 'A fair day's wages for a fair day's work,' we must inscribe on our banner the revolutionary watchword, 'Abolition of the wage system.'
>
> It is the historic mission of the working class to do away with Capitalism. The army of production must be organized, not only for the every-day struggle with the capitalists, but also to carry on production when Capitalism shall have been overthrown. By organizing industrially we are forming the structure of the new society within the shell of the old.

The members of the I.W.W. started out in the United States to dispose of the Labour unions, to prevent workmen joining the Militia, Army or Naval services or accepting positions under, or with, any of the guardians of the law such as judges, sheriffs or police, to refuse recognition, so far as its power might permit, of national, State or municipal law. It was avowedly international, anti-political, anti-patriotic, anti-national; it was opposed to the ballot and was in favour of strikes which would make labour so

expensive as to compel an employer to close up his plant, or people to cease buying his goods. Its publications were incendiary in more ways than one and opposed all wage agreements between employers and workmen, all conciliatory policies and methods, all meetings of Workers' Committees with Employers; its members demanded and fought for the complete surrender of all control of industry to the organized workers. They looked forward to the time when the organized proletariat would meet in their unions the world over and decide how long they would work and how much they would give to the one-time employer; they proclaimed a government within a government and described their vital weapon in the words of W. D. Haywood, their leader and organizer, as (1) a general strike in an industry, (2) a general strike in a community, (3) a general national strike. The aim was to establish one big organization—the One Big Union of 1918—which should contain all branches of industry and obtain power to paralyze the entire activities and life of a nation by merely ceasing to work. As Haywood often described the policy workmen must become so organized that they could take and hold the industries in which they were employed; they must be in a position to paralyze the powers of Government so as to make the work of the Army ineffective; they must make the general strike "a fighting weapon as well as a constructive weapon."

The chief means used in preliminary operations was Sabotage—a word of French origin, meaning poor or inefficient work, the damage deliberately done by dissatisfied workmen, or plant-wrecking on a wider scale. Volumes were written on the subject by Emile Pouget, W. C. Smith, Elizabeth G. Flynn, etc. The last-mentioned writer indicated the point of view, and the whole basis of this organization, in a few words: "I am not going to justify Sabotage on moral grounds. If workers consider that Sabotage is necessary, that in itself makes Sabotage moral. Its necessity is its excuse for existence. And for us to discuss the morality of Sabotage would be as absurd as to discuss the morality of the strike or the morality of the class struggle itself. In order to understand Sabotage or to accept it at all it is necessary to accept the concept of the class struggle. . . . Sabotage is to this class struggle what guerilla warfare is to the battle. The strike is the open battle of the class struggle, Sabotage is the guerilla warfare, the day by day warfare between two opposing classes."* W. C. Smith was even more explicit: "Sabotage is a direct application of the idea that property has no rights that its creators (the workers) are bound to respect." In addition to these operations it was declared that anti-military and anti-patriotic agitation must be carried on.

Of course crime and outrage soon evolved out of such teachings and, as the years passed on, leaders like Haywood, Berkman, Debs, Mooney, Johannsen, Berger, Billings, Morgan, Esmond, Thompson, McGowan, etc., found themselves in and out of gaol; their journals

*Note.—Quoted by C. H. Cahan, K.C., in a Pamphlet issued in 1918.

were contributed to by every species of anarchist, extreme Socialist and disloyal conspirator against law and order as well as against the so-called masters; with the evolution of Bolshevism a new field of propaganda was opened up and the Soviet form of Workers' supremacy was eulogized as a workman's paradise with Lenine, Trotzky, Shatoff, Marloff, Volodarski and other German Socialists, or Russian Jews from the United States, as practical and successful exponents of Socialism. The War increased all these activities and many a munition maker, many a delayed shipper, many an anxious and worried officer in England or France, at home or on the battle-field, had cause to remember the I.W.W.; many a soldier of liberty lost his life through delayed or defective munitions. Action was taken to prevent the sending of supplies abroad and various German plots were aided by I.W.W. agents and Irish agitators. Movements were carried out amongst the farmers of Missouri and Mississippi to check the harvesting of grain crops; the production in the American West of lead, copper, zinc and other basic war metals, was for a time paralyzed. Money was obtained through the aid of academic thinkers who stood for a vague liberty which, in practice, became license and for a so-called theory which in application was pure lawlessness. In their Court trials or distribution of literature the I.W.W. claimed the financial aid of "intellectuals" such as Professors J. Dewey and J. H. Robinson of Columbia University, Professor T. Veblen of the University of Missouri, the Rev. P. S. Grant of the New York Church of the Ascension, the editors of *The New Republic*, etc.

The first great trial resulted from the arrest in September, 1917, of 166 members of the Order and their trial during April-August, 1918 in the U. S. District Court of Chicago. The case was based upon the literature of the organization, the utterances of its leaders, and the evidence of Sabotage. The charges were (1) conspiracy to prevent and hinder the Government from executing numerous statutes for the prosecution of the War; (2) conspiracy to interfere with the production and transportation of food, clothing, and munitions essential to the carrying on of the War; (3) conspiracy to interfere with the Postal laws and enforcement of the Selective-Draft Law; (4) conspiracy to violate the Federal Espionage Law and to obstruct Army and Navy recruiting. The case dragged on for five months and was remarkable not only for the number of defendents, but for the wide sweep and variety of evidence admitted, or allowed in rebuttal, and for the nature of the speeches delivered. W. D. Haywood, Secretary-Treasurer of the organization, for instance, as quoted in the Chicago *Daily News*, declared that: "Sabotage is the biggest and strongest and most wholesome weapon of the working-class, and must be used if capitalists are to be put out of business." He expressed disapproval, however, of poisonous powders and stink-bombs! He proclaimed it "better to be a traitor to your country than to your class" and added this interesting effort at definitions: "A policeman is a pimple; a soldier is a boil on the body politic; both are the result of a diseased

system." On Aug. 17th Judge K. M. Landis had the charge of conspiracy against the Postal laws withdrawn, and on the four counts mentioned above, the prisoners were found guilty and sentenced to various terms in prison running from 20 years in the case of Haywood and 14 others to 10 days in the county gaol with, also, large fines which aggregated $2,735,000.

Meanwhile, just before this decision the I.W.W. had held an unrepentant Socialist Congress at St. Louis which, led by E. V. Debs, four times Socialist candidate for the Presidency of the United States, Victor Berger and Adolph Germer, had passed Resolutions supporting the Bolsheviki of Russia and the continuance of an unrestricted campaign against capital; they declared the War a crime against the people at home and the nations abroad; they went so far as to say that "Sabotage shall not be forbidden." Yet on May 6th the United States Government had proclaimed the Association illegal and the expression of such views as seditious with fitting penalties. On June 16th Mr. Debs had, also, delivered an address at Cleveland which was considered seditious and his trial in September evoked another speech which found wide I.W.W. approval and contained this confession of faith: "I admit being opposed to the present form of government. I admit being opposed to the present social system. I am doing what little I can, and have been for many years, to bring about a change that shall do away with the rule of the great body of the people by a relatively small class and establish in this country an industrial social democracy." He went on to compare his mission—based upon the doctrines of Marx—with that of Christ 1900 years before and with similar historic results of contumely and suffering. He also compared himself and his colleagues with Washington, Adams, Paine—the latter name being especially interesting after his references to the founder of Christianity! He was found guilty and sentenced on Sept. 14th to 10 years in the Penitentiary.

To the I.W.W. and its supporters the Mooney case was one of typical character and their sympathy with the criminal himself quite natural. On July 22nd, 1916, ten persons, men, women, and children, were killed and about 50 others wounded by a bomb explosion during a Preparedness parade in San Francisco. A number of persons of pronounced anarchistic tendencies were arrested shortly after the explosion, and of these W. K. Billings was tried and sentenced to life imprisonment, and Thomas J. Mooney found guilty and sentenced to be hanged. The appeals were carried up to the Supreme Court and dismissed. Meantime, the more radical section of the Labour press and leaders, the I.W.W. interests and their supporters, extreme Socialists of all kinds, had created a tremendous clamour for the relief of Mooney as a "victim of brutal capitalism." Several strikes were started on the Pacific Coast and a general sympathetic strike for the whole United States was threatened. A Federal Commission on Jan. 28th, 1918, urged a retrial of Mooney and a little later the Governor of California received a request from President Wilson to postpone the execution

until this trial could be held; in March and June the President urged him to commute Mooney's sentence on the ground of the war-need for united work.

Finally, on Nov. 28th, this was done after the International Workers' Defence League, which was backing the Mooney agitation, had announced that 500,000 workmen were ready to go out on Dec. 9th. There were four trials altogether, there was much futile and furious attack upon witnesses and evidence, there was a bitter initial feud amongst labour men in California, there was no doubt that both Billings and Mooney were anarchists and in favour of violence. To the *New Solidarity*, the I.W.W. organ of Chicago, the case gave a fresh excuse* for familiar arguments: "The day is not far distant when the workers of all countries will not be satisfied with that ancient and fossilized idea 'a fair day's work for a fair day's pay.' The idea that is taking hold throughout the world is 'The World for the Workers.' " Although for the moment many of the I.W.W. anarchist leaders were in prison this was a great triumph for them and their followers; for men and women such as Alex. Berkman, Emma Goldman, W. D. Haywood, E. V. Debs, Mother Jones, etc., with whom Mooney had been associated and, notably, for Lenine and Trotzky and Liebknecht whom he had worked with when they were in the United States. Mooney was a conspicuous man in these circles; he had helped to found and support *The Revolt* and *The Blast* as anarchist sheets to which the future Bolshevist leaders of Russia and Germany contributed as well as other anarchists; he had been a delegate to international Socialist gatherings in Europe during 1907 and 1910, and a member of the I.W.W.; he belonged to the International Workers' Defence League founded by the I.W.W. to take care of those whose violent acts brought them into danger; he had openly preached revolution and anarchy and worked for the defence of the McNamara anarchistic murderers.

Meantime, in Seattle on May 2nd, a police raid resulted in the arrest of 213 alleged members of the I.W.W. and the seizure of a large quantity of seditious literature while a crowd of 15,000 persons cheered the prisoners as they were carried off to gaol. A similar raid in New York on June 22nd gave 77 prisoners and the capture of many papers and much literature. In one of the San Francisco raids on I.W.W. headquarters by Federal order, there was found a large quantity of bombs, phosphorous to be used in destroying crops and barns, and anthrax germs for infecting and killing cattle. At the close of the year there were 300 I.W.W. members awaiting trial in various parts of the country but the Order itself was apparently in full operation with open headquarters at Chicago and many journalistic organs in full blast.

Origin and Platform of the One Big Union. Co-terminous with some of these incidents in 1918, was the enactment of vigourous anti-Sabotage and Sedition laws; partial enforcement of the law

*Note.—Reprinted in *Literary Digest*, Dec. 7th, 1918.

against the I.W.W. and their devotion to a new object or rather cover for the old purposes. In Chicago on May 30th, the General Executive Board of the Industrial Workers of the World issued a statement denying the use of violence or its advocacy and, after some sarcastic references to Congress and its legislation against Sabotage, concluded as follows: "The membership will find it to their advantage to forget and drop the word. The word itself is not worth it. It may arise again in the future in its true light and in its true meaning. If so, the future will care for itself. We should be and are too busy building the *One Big Union* to argue with Congress or departments of justice as to the real meaning of a poor French word."

This One Big Union was to be the new name and form of the organization and it first took root in Australia and Canada. Efforts were made in England with advertisements appealling to "class-conscious workers in all industries" but the Independent Labour Party of MacDonald, Snowden, etc., included all this type of propaganda in their movement and the effort obtained no deep root. As an organization, however, it was declared to have been closely associated with the Rank and File Movement which engineered a number of strikes in 1916-17 and for sporadic "Stop-the-War" agitations. In Australia the Association found a basis of class hostility and restlessness which had long been obvious. At first the movement was of an I.W.W. nature entirely. Three years before the War, agents were sent from San Francisco to New Zealand and Australia and, during the 1912 Transport strike in New Zealand, evidence showed a local Labour affiliation with the San Francisco I.W.W. through a Secretariat in Berlin. Following this period strike conditions in Australia grew more violent and crimes of arson and intimidation with personal disloyalty, were more conspicuous. Finally, in the summer of 1916, an outburst of incendiary fires and other offences in Sydney was followed by a raid on the I.W.W. headquarters, the arrest and trial of 12 men on charges of arson and seditious conspiracy, the publication of correspondence covering England, France, New Zealand and all parts of Australia, New York and Vancouver, Rangoon and Cape Town, which revealed wide ramifications of plot and propaganda.

As to Australia, witnesses described an extraordinary system by which discs were drawn from a box to determine who should fire this or that building, and whoever drew a red disc had to commit the crime. On Dec. 4th, 1916, the 12 men were convicted and sentenced to long terms of imprisonment; a little later the Australian Parliament declared the Association unlawful and on Sept. 6th, 1917, its offices were seized and closed up. At one of the Australian Labour Conferences, also, red was selected as the Labour Party colour and the Red Flag officially adopted. The Hughes Government, (Labour and Liberal) however, made the flying of the Socialist emblem in War-time, illegal, and the matter rested there for the moment. Following American legislation the local I.W.W. leaders took up the new American idea and a week's Con-

vention held at Sydney concluded its labours on Aug. 12th with the accepted preamble, constitution, and machinery of One Big Union. The organization was launched on Oct. 14th, and entered upon a campaign of propaganda for the bringing of all Australian unions into its revolutionary net. The formal name chosen was different —The Workers' Industrial Union of Australia—though the original title was colloquially used and W. Francis Ahern, a Canadian I.W.W. correspondent in Australia, continued, afterwards, to refer to it as The One Big Union. On Dec. 6th the B. C. *Federationist* (Socialist) published a despatch from Mr. Ahern stating that "the various State Labour Conferences throughout Australia have at the date of writing adopted the One Big Union scheme, initiated by the New South Wales Trades and Labour Council. As was to be anticipated there is considerable bitterness displayed in the capitalist press at the decision of the workers of Australia to band themselves into One Big Union instead of the 600 unions which existed heretofore." The Platform* of the Australian organization was as follows:

(1) We hold that there is a class struggle in society, and that the struggle is caused by the capitalist class owning the means of production, to which the workers must have access in order to live. The working class produce all value. The greater the share which the capitalist class appropriates, the less remains for the working class—therefore the interests of the two classes are in constant conflict.

(2) There can be no peace as long as want and hunger are found among millions of working people, and the few who constitute the employing class have all the good things of life.

(3) Between these two classes the struggle must continue until capitalism is abolished. Capitalism can only be abolished by the workers uniting in one class-conscious economic organization to take and hold the means of production by revolutionary, industrial, and political action. 'Revolutionary action' means to secure a complete change, namely, the abolition of capitalistic class ownership of the means of production—whether privately or through the State—and the establishment in its place of social ownership by the whole community.

(4) The rapid accumulation of wealth and concentration of the ownership of industries into fewer and fewer hands make the trades unions unable to cope with the ever-growing power of the employing class, because craft-unionism fosters conditions which allow the employer to put one set of workers against another set of workers in the same industry, thereby defeating each in turn.

(5) These conditions can be changed, and the interests of the working class advanced, only by an organization so constituted that all industries shall take concerted action when deemed necessary, thereby making an injury to one the concern of all.

(6) We hold that as the working class creates and operates the socially operated machinery of production, it should direct production and determine working conditions.

Meantime, in Canada, the B. C. Federation of Labour, with its Socialist basis and leadership by men like Hawthornthwaite, Pettipiece and Kingsley, its keen antagonism to the moderate and ruling opinions of the Canadian Trades and Labour Congress and its opposition to all War enactments by the Government such as sup-

*Note.—Also published with approval in the Western *Labour News* (Apl. 25, 1919) during the Winnipeg Soviet efforts of 1919.

pression of seditious publications or utterances, prohibition of strikes in war-time, etc., had joined hands with the Alberta Federation of Labour and the irrepressible elements in Winnipeg, such as R. B. Russell, Rev. Wm. Ivens and the *Western Labour News*, in a proposal to protest against all these conditions and organize a radical Western labour party based upon the principles of The One Big Union rather than upon the moderate councils of organized Canadian Labour. V. R. Midgley, Secretary of the Committee of Western dissentients from the Quebec Labour Congress proceedings undertook in November and December to call a Western Labour Conference to be held at Calgary. The movement was got well under way with a basis of I.W.W. and Socialist support; Calgary was a centre of the movement as it had been in the Alberta mining unrest of these years. So obvious was the current of thought that the Calgary *Herald* of Sept. 6th struck a warning note: "There is an element in Western Canada that is somewhat akin to the I.W.W. if not actually affiliated with and controlled by it. Let the I.W.W. of Canada or their imitators, beware lest the strong hand of the law does not stretch out and grasp them as it has their friends on the other side of the 49th parallel. There is a feeling throughout the country that it would be better for all concerned if a few of them were behind the bars."

I.W.W. and Bolshevist Action in Canada. Canada had, meanwhile, been feeling the effect of I.W.W. propaganda in more ways than that of One Big Union talk. The name, itself, was not much used and the press showed a curious disinclination to criticize such proofs of its influence as did appear. The Order had spread into Canada and exercised considerable influence at the beginning of the War; it worked however, somewhat in the dark and under such names as that of "Social-Democratic Party of Canada," etc. This latter organization, with headquarters in Toronto and an organ called *Canada Forward*, had branches in most of the industrial centres from Montreal to Vancouver; its membership was largely alien at first and it had printing establishments in Montreal, Toronto and Winnipeg which translated varied pamphlets, etc., of a Socialist, Pacifist, I.W.W. nature into Russian, Ruthenian, Ukranian, Finnish and other languages; to these revolutionary workers the success of the Bolsheviki and the occasional arrival of money, either from Russia in indirect ways, or from the I.W.W. at Chicago and elsewhere, were, in 1918, elements of great helpfulness. The platform of the chief I.W.W. body in Canada at this time was as follows:

> We, the Social-Democratic Party of Canada, affirm our allegiance to and support of, the International Socialistic Movement. By virtue of the ownership of the means of production and distribution (natural resources, factories, mills, railroads, etc.) all wealth the workers produce, accrues into the hands of the capitalistic class. This property the capitalist defends by means of the State—the Army, the Navy, the Judiciary.
>
> The object of the Social-Democratic Party is to educate the workers of Canada to a consciousness of their class position in society, their economic servitude to the owners of capital, and to organize them into a political party

to seize the reins of government and transform all capitalistic property into the collective property of the working class. This social transformation means the liberation not only of the proletariat, but of the whole human race. Only the working class, however, can bring it about. All other classes maintain their existence by supporting the present social order. The struggle of the working class against capitalist exploitation produces a constant state of warfare between these two forces for the control of political and economic power.

Leaflets were issued during 1918 of the most seditious nature. One of them described the call of war as a demand upon the workers of Canada "to shed their blood in the interests of the Master Class" and added: "Let the Masters fight their own battles." The Christian Church was described as "palsied, and staggering in its poverty of influence while Capitalism wallows in the filth of its own chaos!" Another publication quoted Jack London's vicious description of the "good soldier" as being a "blind, heartless, soulless, murderous machine." Meanwhile, the I.W.W. was openly active in the mining camps of Northern Ontario, Alberta and British Columbia, with a succession of strikes in the two latter camps which for long periods tied up the vital production of coal with little apparent reason. Everywhere, amongst the foreigners, there were taught the worst forms of Sedition. Mr. Cahan, Director of Public Safety, stated (Dec. 12th, 1918) that a Finnish publication with wide circulation, had pictured a group of English Kings as an "Exhibition of dangerous Beasts" and described the English Lords as ruling oppressed and crushed English men and a starving, suffering mass of Indians in the East! Then came floods of Bolsheviki literature which were checked as to importation but eagerly reprinted from copies smuggled in and dealt, for instance, with the "Mountains of Bodies and Seas of Blood" to which the wicked English and other capitalists had brought the world or urged "the great, holy war, the Social Revolution," or described the only two Flags in the War as "the red flag of Socialism and the black flag of Capitalism"; or declared that there were only two real warring camps—the camp of the Proletariat and the camp of Capitalism. Such Bolshevism as there was in Canada was simply the I.W.W. organization under a new name which happened to be in vogue for the moment; the adoption of Soviet ideas was an easy step in the stages of anarchy. Finally the Dominion Government took action and under the War Measure Act proclaimed, by Order-in-Council of Sept. 25th, 1918, the following Associations as unlawful during the continuance of the War:

The Industrial Workers of the World;
The Russian Social Democratic Party;
The Russian Revolutionary Group;
The Russian Social Revolutionists;
The Russian Workers' Union;
The Ukrainian Revolutionary Group;
The Ukrainian Social Democratic Party;
The Social Democratic Party;
The Social Labour Party;
Group of Social Democrats of Bolsheviki;
Group of Social Democrats of Anarchists;
The Workers' International Industrial Union;
Chinese Nationalist League;
Chinese Labour Association.

It also proclaimed, as unlawful, any Association, Society or Corporation one of whose purposes, or professed purposes, was to bring about any governmental, political, social, industrial or economic change within Canada by the use of force, violence or physical injury, or which taught, advocated, advised or defended the use of force, violence, or physical injury to person or property, or threatened such injury in order to accomplish such change. Persons attending meetings of such organizations, speaking in their support or distributing their literature, were to be subject to prosecution with a maximum fine of $5,000 or imprisonment for 5 years, as punishment upon conviction. Owing to certain press comments or for reasons not made public the Social-Democratic Party was removed from the above list. A week later a further amendment extended the general clauses so as to include any Association which advised that any class should forcibly take possession of all property or "forcibly abolish all private ownership of property, or which teaches, advocates, advises or defends the cheating or defrauding of employers of labour by accepting employment with the secret purpose and intention of slackening or retarding production."

Meanwhile the I.W.W. spirit and policy had taken special root in Winnipeg, Calgary and Vancouver. Strikes in Winnipeg were frequent and violence of language and action very visible while the presence of many alien workers intensified a series of troubles illustrated by the remark of one May-time belligerent: "You have the right to demand anything you have the power to enforce. Come on, we have the power to win!" The attempted general strike of August was an illustration of the I.W.W. influence and it had later and more sensational 1919 developments. So, in Alberta, where a majority of the miners were believed to be members of the I.W.W. and were all associated with the United Mine Workers of America through which organization the I.W.W. exercised much influence in the Western States. In Vancouver a number of persistent and more or less able exponents of extreme Socialism represented I.W.W. principles with the B.C. *Federationist* as a vehement organ of propaganda. E. T. Kingsley and R. P. Pettipiece were the chief workers along this line and the former's pamphlet on *The Genesis and Evolution of Slavery* was a typical Marxian and I.W.W. production. The following selected statement from its pages—without any context which would alter their meaning—were significant:

> The most reckless indifference to the welfare of the slaves of industry is manifested throughout the entire employing world, and not the slightest safeguard is afforded the lives and limbs of the workers, if it can in any way be avoided. Politicians, professors and press writers lie like horse thieves about mundane matters, while pulpiteers weave entrancing fables about the heavenly beyond, for the purpose of chloroforming slaves into forgetting their chains and meekly submitting to the continuation of their crucifixion upon the altar of ruling class plunder.
>
> Though the workers are slow to think, and even slower to act in defence of their interests as a class which produces the wealth of the world, I have the

utmost confidence in the ultimate triumph of the working class in the age-long struggle against the rulers and the masters of the earth. All the knowledge that is of any value to the human race is possessed by the working class, for it is that class alone that knows how to produce food, clothing, and shelter for all.

The theories of this writer were not new, most of them were as old as Karl Marx, many of them were in full operation in Russia, the legitimate result of them was seen in I.W.W. action everywhere. But they were new to many Canadians. "Profit is something gotten for nothing," said Mr. Kingsley; "the growth of capital is only the extension of the economic empire of the capitalists over an increased number of slaves"; the slaves of the old-time feudal days were fed by their owners, those of to-day had to be fed through wages; this latter was "an unfortunate circumstance due, no doubt, to some oversight upon the part of the Creator!" The farmer, also, was described as a slave, though he did not always know it, and "the position of the small farmer is a sort of cross between the feudal serf of the Middle Ages and the wage-slave of the present"; profits were the product of slavery and wage-slaves "sweat, bleed and die in the shambles of Capitalist industry," to pay for them; trade was simply the surplus product of slave labour above what the Master could consume or use. "The State," added Mr. Kingsley, "is the instrument of the ruling class" and out of this definition came a further one: "To rule is to enslave; to enslave is to rot."

After this anarchical outburst it was not surprising to hear regret that "a vast majority of the slaves still respond when the factory whistle or the bugle blast calls them to the sacrificial shambles!" To all of this there could be only one logical end—the object of Marx, of Haywood, of Bergman, of Ramsay MacDonald, of Berger, of Mooney: "To seize the reins of public power in their own behalf becomes the mission of the workers. It becomes a class shiboleth and a class fight. The downfall of capitalist property and the uprise of Labour to the supreme command of the production of wealth in behalf of the working class, will destroy the world's market, that sink of iniquity into which slaves and their products are now poured, and turn those products to the comfort and use of those whose labours bring them forth." These opinions were emphasized during 1918 in a succession of local speeches.

Mr. Kingsley's views were well supported and propagated by the B. C. *Federationist*—so well that on Aug. 6th Lieut. Colonel E. J. Chambers, Chief Press Censor for Canada, called this official organ of the B. C. Labour Federation and the Vancouver Trades and Labour Council to time and was assured that its extreme utterances would be modified. Meantime, however, its opinions influenced the minds and attitude of local workers to a chronic restlessness and frequent strikes. Its War views were indicated on May 24th as follows: "In the face of the already terrible world conditions, conditions that are daily and hourly becoming worse, what other result than rebellion and revolt can be reasonably expected

among the slaves of this ruling class *régime*, whose sufferings are becoming accentuated each day? Can a mad ruling-class world long continue the delectatable process of murdering and destroying, upon the present unprecedented scale, without bringing its entire establishment of slavery, plunder and piracy down upon its own head?" As to other points a few editorial quotations will illustrate the Socialism preached by this organ and by some other journals and speakers:

March 8. Repudiation of Debts. The intention of the Russian Bolsheviki to repudiate the Debt contracted by previous Governments of that country has caused quite a flutter of alarm in the dovecote of ruling-class thieves. And that alarm is amply justified, for if such a precedent were once established and followed out to its logical conclusion, the entire superstructure of *bourgeois* flim-flam and swindle would crash to the ground, and the soft snap of living on the plunder taken from slaves under the pretense of payment and the humbug of money, be brought to an end.

May 10. The Gospel of Hate. In fact it is seditious to think, speak or act as though you had even a sneaking idea that you were anything above the level of a cringing, crawling and servile tool, owned body and soul by those whom Divine Providence has appointed to rule over you and direct your pathway to the cannon's mouth, for the good of your country, as well as of your own immortal soul.

May 31. The Position of the City.—The City and all that it contains draws its sustenance solely from the country and renders no compensation in return. All of its activities are either in the nature of purely parasitic consumption or parasitic production, *i.e.*, the production of things that are entirely useless in so far as the comfort, health, happiness and well-being of humankind is concerned.

June 14. Democracy and Civilization. What we have been taught to believe was liberty turns out to be slavery; our boasted democracy dissolves into a mere sham. Ruling class civilization is exposing itself as a nauseating stench in the nostrils of decency; a disgusting nuisance in the pathway of evolution awaiting abatement at the hands of its blood-thirsty and lust-crazed beneficiaries, as an act of class suicide.

Nov. 15. Socialist Finance. If Marx is correct, we are on the verge of a financial catastrophe, the like of which the world has never known. The working class can no longer be employed to produce things for sale. The market is gone, now that the War has stopped. The munition plants, etc., will soon be so much junk. The wealth of the capitalist is non-existent. He possesses bits of paper with figures upon them, but to make the slaves produce for him goods that he can sell in the markets of the world for sufficient to realize interest on the figures, is beyond him.

In Victoria J. H. Hawthornthwaite had long been a Socialist leader, a member of the Legislature, a Miners' representative of the most radical type. He did not in this period use the I.W.W. name but he substituted that of the Bolsheviki as the particular form of Socialism which he favoured. Speaking at Vancouver on Feb. 1st, he said that Russia was working along the right lines and Lenine, whom he knew, was not the monster he was said to be: "The hope of the world to-day is the Bolsheviki. Russia is one country where the red flag of labour floats from the towers." On the 23rd he told another Labour meeting in that city that "the Bolsheviki movement is world-wide and is the hope of the Workers of the World." He was speaking for the newly organized B. C. Federated Labour Party with its President, Gordon J. Kelly, in

the chair, and he urged the packed audience to help in securing, through the agency of the new Party, control of the Government and of the big industries—railways, mills, mines, farms—for the people who had the constitutional right to them! At a mining meeting on the Island (Mch. 5th) he went so far as to argue that the Allies were crushing Russian liberties and that: "We are forced to the conclusion that the Allies are liberating the Germans on the western front, and allowing them to devastate the Russian workers' republic!"

At Vancouver (Dec. 21st) he flew in wider circles: "The supreme power rests with the people, if we wish to change the constitution we can do so; we can remove the King from the throne if we should so desire, and when the people come to realize the uselessness of these institutions, and how unnecessary they are, we will do so. And as to war, in the future if Kings wish to fight, let us give them clubs and tell them to go somewhere and fight all they want; if that isn't enough, then send the Generals and Colonels also with clubs, and if that doesn't do, then send the majors and captains and every moustached, bandy-legged little officer who is left, even in Victoria!" Dr. W. J. Curry of Vancouver, was another Socialist of the seditious type. Writing to *The Federationist* on Feb. 22nd, he declared that: "The Bolsheviki of Russia and their comrades of all lands, including those of British Columbia, stand for human life and human happiness—first, last and all the time. As private property in land, banks, mills and mines, etc., stand in the way of human life and human happiness, then private property must go and become the common property of the common people." Speaking in Vancouver on Dec. 11th, he declared that: "The aim and object of the Workers of the World is to bring about a social revolution. The Workers will, because they must or perish, acquire the means of wealth production. . . . The coming conflict, and come it must, will be directed by men who have learned how to build barricades and fight."

J. S. Woodsworth, who had recently resigned from the Methodist ministry, told another Labour meeting on Sept. 1st that the Labour movement meant more than the trades unions; it meant the I.W.W. and such outgrowths as the Federated Labour Party. So, on Dec. 22nd, with W. A. Pritchard, a well-known local Socialist, who came out openly for Bolshevism and declared that "all power to the Workmen's and Soldiers' Councils," was the proletarian battle cry. Schiedemann must follow the way of Kerensky and the Soviet would rule. These were Western men; James Simpson in the East was an advanced Socialist who went as far as his environment permitted. As Vice-President of the Trades and Labour Congress of Canada he addressed a Montreal meeting on Feb. 17th in terms of careful defence of Trotzky, Lenine and the Bolsheviki. Referring to the nationalization of the banking institutions of Russia and the Government control of factories, Mr. Simpson said: "I tell you I would rather be a member of the Bolsheviki Government doing that than be a member of the British

House of Commons." J. M. Connor was another Toronto Socialist who took the side of the Soviet rulers in a letter to *The Globe*, Dec. 24th. Two days before this the Trades and Labour Council of Winnipeg passed a Resolution to "send greetings to the Russian Soviet Republic and wish it success" while Alderman John Queen, as Chairman, asked for and received a round of cheers for "the Soviet Republic, Karl Liebknecht and the working class." Other incidents of this nature may be summarized as follows:

Mch. 17th. At Ottawa Mrs. Rose Henderson of the Juvenile Delinquents' Court, Montreal, delivered an address in which she anticipated chaotic conditions and out of them future happiness: "To-day revolution is on the lips of all thinking men and women."

May 1st. 400 Reds and I.W.W. men held a May Day meeting in Toronto, with Red flags flying and addresses in Russian, Yiddish and Polish; with, also, speeches by James Simpson and Mrs. Hector Prenter—both of whom denounced Samuel Gompers.

July 4th. A revolutionary society of Russian workmen operating as I.W.W. was revealed at Windsor, Ontario, when John Perehuda, its President, was committed for trial on charges of sedition and conspiracy.

July 16th. At Brantford a Russian named Cosanevitch, was fined $500 or a year in gaol for circulating seditious literature.

July 17th. A Russian Bolsheviki meeting at St. Catharines urged Canadian support to the Soviet Government of Russia.

July 29th. It was announced that the Canadian headquarters of the Bolsheviki were at Winnipeg and that books and papers captured by the Police on the previous day in Montreal proved the fact.

Sept. 25th. A Toronto Bolshevist, C. Goshulk, was sentenced by Magistrate Kingsford to 3 years in gaol and a fine of $1,000 for having seditious matter in his possession.

Sept. 28th. *The Defence News-Bulletin*, and other official I.W.W. publications of the United States were prohibited entry into Canada.

Oct. 3rd. A Toronto *Globe* editorial admitted that the Bolsheviki (or I.W.W.) element had secured control of the miners' organizations in the Crow's Nest coal-field, and defied the officers of the United Mine Workers, the authority of the B. C. Department of Mines, and the express orders of the Federal Director of Mines. It pointed out that the miners in the current strike had broken an agreement signed by their duly appointed representatives and at a time when production was absolutely necessary for the Granby smelters and the copper needed by Munition works all over Canada.

Oct. 19th. At Edmonton, Alberta, M. Krysa was arrested and 25,000 copies of Bolsheviki and I.W.W. literature were found in his possession.

Oct. 19th. In Toronto Isaac Bainbridge, Editor of *Canada Forward*, and Secretary of the Social Democratic Party, with 67 members of that and other I.W.W. organizations, were arrested and their places raided for papers and literature.

Dec. 5th. The last of a series of meetings in the Toronto Trades and Labour Council was held in which the Socialist wing endeavoured to obtain control and failed. The meeting broke up in an uproar.

Dec. 18th. 19 Russians at Ford, Ontario, were fined a total of $2,759 for Bolshevism and the possession of seditious literature.

Dec. 19th. Arthur Skidmore, Superintendent at the Power House of the G.T.R., Stratford, was sentenced to 30 days in gaol and fined $500 or 6 months in gaol, for having in his possession copies of the banned organ, *Canada Forward*. So with similar charges against two others; the charge of being members of the Social-Democratic Party was withdrawn by the Government.

Toward the close of the year a serious campaign of I.W.W., Social Democrat and Bolsheviki nature developed. Literature of a

seditious character was flung broadcast throughout Canada and one particularly violent pamphlet was estimated to have had 150,000 circulation in the Dominion with 20,000 distributed in Toronto and 20,000 in Hamilton. This production was issued by "The Provincial Council of Soldiers and Workers' Deputies of Canada"—an adaptation of the Soviet style—and declared that "the time is ripe for Revolution and you must rise." It was said to be too late for reform or reconstruction: "The only solution is that the workers take over all the factories, mines, and mills in the name of the working class and use them for themselves and suppress all those who try to prevent this. This is Revolution, and this course is the only one which will aid the workers. The workers and soldiers must rise and throw off their oppressors; seize all property in the name of the working class; elect delegates to their Councils, and these Councils can easily legalize any acts which they may find it necessary to take in dispossessing the capitalist class." These pamphlets were published in Canada at a high-class establishment; they were circulated in defiance of the law and apparently without detection. Another and smaller pamphlet, largely distributed in Toronto and other places at the end of November, urged the people "to arise and seize what is rightfully yours," to establish a peoples' government as in Russia, to, if necessary, "wade up to the knees in blood." Hence the appointment of C. H. Cahan, K.C., as Director of Public Safety and his efforts to, in some degree at least, stem the flood of revolutionary literature which all through 1918 found its way to Canada from I.W.W. and other headquarters in the United States.

Bolshevism: Its Origin, Nature and World Propaganda

Someone described Bolshevism at this time as being a state of mind; in reality it was the outgrowth of an old theory fitted into new conditions of ignorant suffering and anarchical excess. It was, in principle, the direct product of Marxian Socialism; in practice it was the impress of that doctrine upon the simple savagery of the Russian mind when freed from the ties and traditions of centuries or upon the half-civilized, half-Germanized instincts of the Hungarian peasant when given a free hand and told that the future lay with the peasants and workers and involved the extermination or abolition of all other classes. It had a form of government in such regions of Central Europe or darkest Russia as could be forced into acceptance of its operation; the Soviets were a little like Municipal Councils in structure but they represented only peasants, artisans and other workers with the hand and membership was restricted to the one class; the condition was one of open and avowed class-rule with a treatment of all other classes which depended upon the degree of power held, or force back of, the Soviet and upon the innate barbarism of character which might be, and was usually, embodied in its Russian leaders.

The doctrines of Karl Marx, emphasized by Engels, adopted by the Nihilists with bomb and dagger, and in these later days devel-

oped by Lenine, Trotzky and their supporters, constituted the basis of Bolshevism or Russian Communism. They were backed up by a revolutionary army of hired Letts, Chinese, Finns and all the loose floating population of gaols and cities and towns in Russia, who liked a job with good pay and food and unbridled license and loot. These men were the backbone of the Red Guards; they were the protectors of the Lenine policy and the creed of the Bolsheviki.* As adopted by the hard, calculating and organized German mind, Marxian doctrines had long since been turned into economic channels and, before the War, had made the Empire the most Socialistic state in the world along lines of Government ownership, operation and control of utilities; in social and national matters the German Socialist had ignored Marx, accepted the War and fought for the Kaiser as freely as the non-Socialist; even when the War was over and power was in the hands of the masses, he rejected the full measure of Marxian class-hatred and destroyed the Liebknecht and Luxemburg representatives of that school, rather than the Kaiser and Von Hindenburg representatives of autocracy or aristocracy.

In Russia it was vastly different and the easy-going, ignorant, shiftless, untruthful, and naturally savage proletariat—having also a large share of indescribable but always ruthless Orientalism in its nature—was thrown upon the surface to be led by the first strong man who came along. Kerensky and Lvoff, Miliukoff and Korniloff, lacked the unscrupulous strength necessary, but Lenine, saturated with the more brutal side of the Marx philosophy, a cold enthusiast of the Robespierre type, grasped control and held it. He had the brains to utilize existing instruments and turned the Soviet meetings of wild-talking and loose-thinking peasants and workmen into so many centres of support to his crude but strong-willed and masterful administration. The Czar was gone—he whom the peasant crowned with a personal halo of respect—and to the latter nothing else was sacred, nothing else mattered; there was now no control over his actions, no limit to his excesses and license—if he termed himself a Bolshevist. Nihilism had been purely destructive, the peasants' nature was not in any sense constructive; Lenine knew the people and he played upon their weaknesses with a master hand. The Marxian philosophy was eminently suited to bewilder and overpower the limited faculties of the Russian peasant; its hostility to the classes suited his new license and so-called liberty; its brutality of thought and policy fitted into the half-savage instincts of his own ignorant mind. Lenine and Trotzky, with the Soviet instrument, did the rest.

After a period of experiment, of doubt for the Bolsheviki, of possibilities for the Moderates, of a finally ruthless and merciless settlement with machine guns and executions, the 5th Pan-Russian Congress of Soviets received in March and accepted a Constitution called the Declaration of Rights, which was presented to the public in the official *Pravda* of Moscow and republished for the outside world by the *Vossiche Zeitung* of Berlin. The document was

*Note.—See, also, Pages 42-58 of this volume.

declared to emanate from "We, the labouring people of Russia—workmen, peasants, cossacks, soldiers and sailors" and to deal with the greatest task of the time—one which must be accomplished "at all costs." The following Marxian proposition was then advanced: "The liberation of the working classes must and can do the work of those classes themselves, who must unite for that purpose in the Soviets of the workmen's, soldiers, peasants' and cossacks' delegates. In order to put an end to every ill that oppresses humanity and in order to secure to labour all the rights belonging to it, we recognize that it is necessary to destroy the existing social structure, which rests upon private property in the soil and the means of production, in the spoliation and oppression of the labouring masses, and to substitute for it a Socialistic structure. Then the whole earth, its surface and its depths, and all the means and instruments of production, created by the toil of the labouring classes, will belong by right of common property to the whole people, who are united in a fraternal association of labourers." After urging the workmen of all countries to unite in overthrowing the Capitalistic class and describing the workers of Russia as true to the International Socialistic organization, the document declared that the Russian proletariat had, with the help of the poorest peasantry, seized the powers of government: "In establishing a dictatorship of the proletariat and the poorest peasantry the working class resolved to wrest capital from the hands of the *bourgeoisie,* to unite all the means of production in the hands of the socialistic State." The first steps taken were described as follows:

1. Abolition of property in land, declaration of the entire soil to be National property, and the distribution of it to the workmen without purchase money, upon the principle of equality in utilizing it.
2. Declaration as national property of all forests, treasures of the earth and waters of general public utility, and all the belongings, whether animals or things, of the model farms and agricultural undertakings.
3. Introduction of a law for the control of workmen, and for the Nationalization of a number of branches of industry.
4. Nationalization of the Banks, which heretofore were one of the mightiest instruments for the spoliation of society by capital.
5. Repudiation of the loans which were contracted by the Czar's Government upon account of the Russian people, thereby to deal a blow to international capital as one of the factors chiefly responsible for the War.
6. Arming of the labourers and peasants and Disarming of the propertied classes.
7. Besides all this, the introduction of a universal obligation to work, for the purpose of eliminating the parasitic strata of society.

After all classes had been put upon a working basis, or one of labour by the hands, with also, "the application and distribution of all productive forces according to plan" then, it was explained, class differences would disappear and the need for a workers' dictatorship cease. A lot of Socialistic generalities followed and the need of freeing and uniting the Proletariat of the world against the *Bourgeoisie* everywhere was vigorously urged; the Russian Socialistic Federal Republic was declared to involve "the establishment of a Dictatorship over the urban and rural proletariat

and the poorest peasantry"; the crushing of the *Bourgeoisie* was described as its chief immediate object and the Republic itself was defined as "the free Socialistic Society of the working people of all Russia united in the urban and rural Soviets." The franchise for the Soviets was stated to lie with the following citizens—of both sexes and 18 years of age or over:

(*a*) Labourers and employees of all classes who are employed in industry, trade and agriculture.
(*b*) Peasants and Cossack agricultural labourers who hire no labour.
(*c*) Employees and labourers in the offices of the Soviet Government.
(*d*) Soldiers of the Army and Navy of the Soviets.
(*e*) Citizens of the two previous categories who have, to any degree, lost their capacity to work.

No persons could vote or be voted for who employed hired labour to increase their profits, who had an income distinct from personal labour, who were private merchants, traders, etc., or employees of religious communities (Priests, etc.), who were demented or deaf and dumb or who had been punished for "selfish or dishonourable misdemeanours." The last extraordinary clause might mean anything as criminals were not specified at all but it really meant any person who had been confined on suspicion of anti-Bolshevism. The Government was declared to be based not upon majorities or the masses, or upon the population in general, but upon the smaller settlements (villages and hamlets), the inhabitants of which could elect one representative to each 100 persons. The rural Soviets were under the authority of the Soviets of the Wolosts (districts) and these latter under the Soviets of the Ujesd (larger regions). The Urban and Ujesd Soviets elected delegates to sessions of the Government or Oblast Soviets.

The keystone of the whole structure was declared to be the Pan-Russian Congress of the Soviets composed of representatives of the Urban Soviets (one for each 25,000 voters) and of the Government Soviets (one for each 125,000 voters). This body elected the Central Executive Committee of 200 members which was to rule the Republic. Such were the extraordinary principles and official product of the Bolshevist leaders. They were further elaborated by Lenine in his Programme address before the Soviet Congress in April, 1918.* In a restricted sense the system was comprehensible to the ignorant masses—only about 7 per cent. of the 180 millions in Russia could be called educated—because it was an outgrowth of the ancient village Mir which had become a part of the national life. But it was limited in application to the workers alone and by excluding the peasant land-holders, as well as the Upper classes, eliminated 80 per cent. of the population from any control over the country's administration.

To understand the Russian situation, however, it must be realized that the Soviets themselves did not rule, even locally, unless they were controlled by Red Guards and Bolshevist leaders; that the

*Note.—Published for propaganda purposes; issued in pamphlet form by the Seattle (U.S.) Bolsheviki and re-published by the Vancouver Trades and Labour Council.

Bolsheviki were Marxian Socialists or Communists and in deadly antagonism, as the months passed on, to the various Socialist parties led by men of the Kerensky type, to Social Democrats or Social Revolutionaries or any others who had ideas different from those of their new rulers; that the Socialist revolution of 1917, as with all explosions of the ignorant proletariat, had been taken hold of by cold, ruthless and unscrupulous leaders who ran things to suit themselves and used force in every form of vicious, cruel violence; that centralization of power steadily developed and was held intact by pure force of terrorism and the barbarous cruelty of the Red Guards. The practical results of this Reign of Terror were (1) the abolition of all free speech or public meetings, free writing or free action by the individual; (2) the inauguration of degrading, brutal slavery for tens of thousands of men, women and children who did not or could not join the Bolsheviki; (3) the abolition of the voting power except to workmen and the poorer servant class, the Red soldiers and those whose support of the Bolshevist rulers was assured; (4) the execution, without trial, of thousands of men and women with other thousands rotting to death in gaols unequalled for horror in the history of the darkest ages, with still other thousands starving to death; (5) the establishment of every conceivable sort of torture—Oriental in cruelty and character and including mutilations of all kinds, slow starvation, burning alive, piercing with bayonets in various parts of the body, deliberate breaking of arms and legs, stamping on wounded living bodies with hob-nailed boots, nailing officers' shoulder straps to their bodies, thrusting of gramaphone needles through finger nails, blinding in most brutal forms.*

Any study or analysis of Bolshevism seems like the treatment of an excrescence or irruption upon humanity yet it was the natural, inevitable result of the acceptance of Marxian Socialism in its actual, concrete form. Communism or Socialism of this type could only find a real place amongst partially-developed nations or races and any other kind adopting it must fall to similar levels. Individualism, ambition, the right and power to rise in the world, the liberty to better personal conditions, the right to speak, think, act and vote according to conviction are inherent in Civilization and essential to the progress of the human race; to Socialism in its complete form they are fundamentally opposed. National progress or production depends upon individual initiative, initiative and the will to work depend upon the rewards of labour; taking Russia as a concrete example it was obvious at this time that its vast resources of coal, iron, copper, zinc, gold, platinum and manganese, and its rich wheatfields, would long be idle for want of capital driven out of the country, or misused, or pillaged by the Bolsheviki, and because of the confidence lost both within and without the country, because of the labour that had no adequate incentive, no reward and no discipline in operation.

*Note.—From reports of British Consuls and officials to the British Government; Published as a British *White Book*.

The rise of the Bolsheviki in Russia during 1917-1918 was not entirely a new development; it was only new in its extent and in the tremendous area of suffering which it caused. The Spartacans or barbarian slaves who escaped from ancient Rome 70 years before Christ and for two years, with a band of marauders, held all Italy in terror, were legitimate predecessors of Liebknecht and his followers in Berlin and of Lenine and the Bolsheviki of Petrograd; so were the Communists of Paris in 1848 and 1871 and the Nihilists whom the Czars of Oriental autocracy, as well as of the mild, half-western rule of Nicholas II had to hold in subjection; so with the modern Anarchists infesting the slums of great cities who were a by-product of civilization which, like human nature, had its evil side as well as good.

The doctrine of Hate was and is clearly exhibited in all these outbreaks as it was, also, in the War practices of the Germans. To teach the workman of the 20th century with his liberty to vote and speak, to work or not to work, to organize and agitate, that he was a slave toiling for a cruel taskmaster and resembling the serfs and chattels of the darkest ages of barbarism was a ludicrous commentary upon gullible human nature; yet the bulk of the Socialist press of Europe and America, the entire press of Russia under its autocratic proletariat, preached this false doctrine of Hate in 1918. As the most modern exemplification of this doctrine and its natural outcome—the destruction or oppression of all other classes by the workers or proletariat—the Bolsheviki had first split from the Social Democratic party in 1903 and found themselves a majority of the Party, or Bolshevists. They took up the Nihilist doctrines of the knife and the bomb, they refused all moderate counsels or constitutional liberties, they opposed and rendered ineffective the Czar's Douma reforms of 1905, they hampered the Revolution of 1917 in all its constructive efforts and helped it in all its destructive agencies and incendiary politics, they eventually obtained power by force and have since held it by force, they transferred by force, bloodshed, ruthless robbery and cruel exaction, the ownership of land and capital from existing proprietors to themselves as the State, and thence to the working classes under a tenure which was not actual ownership, they substituted revolutionary propaganda in other countries for civilized relationship and the diplomacy of nations.

The leaders of Bolshevism made no effort to conceal the fact that strife, and not peace, destruction, and not amelioration or construction, was their policy. In a publication called *Against the Current,* issued at Petrograd in 1918, Lenine and Zinovieff declared that "the task which we set ourselves at the very beginning was to turn the Imperialistic War into a Civil War"; Liebknecht in a letter to the Zimmerwald Conference, stated that "not civil peace but civil war is our watchword"; Bucharin in his *Programme of the Communists,* issued at Moscow in 1918, urged the overthrow of all existing Governments "by means of armed force as the road to

the international dictatorship of the working-class." The secret of Bolshevist success in Russia rested in part upon the fact that they had the courage—the unscrupulous audacity—to carry to the extreme limit of application the Marxian doctrines which the Minority Socialists or Menshiviki were technically supposed to hold. When the issue came to a show-down the Bolsheviki dealt with their more moderate Socialist colleagues as Bucharin described it in his *Programme*: "Blood created a gulf between us."

Hence the new-old name of Communists; hence the successful dominance of Lenine who had unscrupulous fixity of purpose and complete self-confidence; hence the necessity to understand the writings of this leader—as shown especially in the Bolshevist constitution elsewhere quoted and in the Bolsheviki decrees—rather than in the utterances of a Radek or Trotzky; hence the importance of definitely understanding, as Bucharin stated, that in changing their name to Communists the Bolshevists but returned to the old name of the original Revolutionary party at whose head stood Karl Marx; hence the fact that, in the opinion of the current rulers of central Russia and would-be rulers of a world proletariat such historic Socialists as Kautsky, Hyndman, Plechanoff, Alexrode, Martoff, Guesde and many more, had betrayed Socialism. To quote Lenine in his *State and Revolution*:* "To Communism, through the dictatorship of the proletariat—that is our party cry. Dictatorship means an iron power, a power which will not spare its enemies. The dictatorship of the working classes is a State power of the working-classes which will strangle the *bourgeoisie* and the land-owners. . . . That means that you Communists stand for the employment of forcible oppression? Of course, we reply, we stand for the employment of revolutionary force."

The ordinary Socialist who believed in Government control of utilities, or who went further and wanted the State control of all enterprises and industries for the good of the whole people and subject to the free and majority vote of the whole people through their elected representatives, or who was a Democrat before he was a Socialist and believed in the inter-action of individual forces as well as that of organized units, denounced this policy with vigour and stood by the Democratic influence of a free and secret ballot, of organized Labour acting under conditions of law and order. As to this view Prof. Gilbert Murray, of Oxford University—a British Socialist, Pacifist and Radical—wrote a strong article in the *British-Australian* of Nov. 14th, 1918, from which an extract is of value: "The Proletariat, in the strict sense of the word, is that completely undistinguished mass of human kind which remains permanently at the bottom, while other people have either saved money or shown ability, or made a reputation, or learnt a trade, or somehow provided themselves with some security against the future. And the ground for glorifying it is mere despair of human nature." As to the purely industrial branch of the subject let the following transla-

*Note.—Quoted in *Round Table* for March, 1919.

tion of an Order signed by Lenine and other Commissaries on Nov. 27th, 1917, speak:

1. In the interest of systematic regulation of the people's management in all industrial, commercial, banking, agricultural, transportation, co-operative, produce associations, etc., and all other enterprises employing hired labour, or employing people working at home, a Workingman's Control is established herewith over the production, purchase, and sale of products and raw materials, warehousing of them, and also over the financial part of the enterprise.

2. All workers (employees) of the given enterprises shall control them through their own Elective bodies such as for instance—Factory or Shop Committees, Council of Group Representatives, etc. The offices and the technical or mechanical staffs of the given enterprises will participate in the control of them through their own representatives.

3. Every city of consequence, State (Government), or industrial district will have a Local Council of Workingmen's Control (Soviet), which, while being an organ of the Council of Workmen, Soldiers and Peasants' Delegates, will be composed of representatives of Trades Unions, Factory, Shop and other Workmen's Committees and Workmen's Co-operative Organizations.

It must not be understood that the leaders of such a movement as that of Marxian Socialism, Bolshevism, the Spartacans, or even the I.W.W. were necessarily illiterate. On the contrary Lenine had a University education; Liebknecht and Trotzky and Radek had all written books of more or less skill in style and expression; Jacob Peters, the Russian Commissary in charge of suppressing Counter-revolutions, who was stated by the New York *Times* (Oct. 24th, 1918) to have signed any death warrant put before him without investigation, had lived most of his life in London, spoke English without a flaw, and loved the amenities of social life; John Maclean, who was tried and condemned to penal servitude at Edinburgh (May 9th, 1918) for treasonable action, for urging workmen in Clyde shipping plants to "down their tools" and "create a revolution," for proposing to replace the House of Commons by a Soviet and urging the workers in Munition factories to "restrict their output" and who, in his trial-address, accused Capitalism of "dripping with blood from head to foot," held a University degree! These were some of the men and officials who encouraged mobs to act like wild beasts, who cruelly treated the so-called classes, who suppressed all books and newspapers except their own, who wiped out as far as possible, the accumulated art treasures of centuries, who turned Russia into a chaotic mass of misery. William Roscoe Thayer, the American publicist, said in this connection:* "It is because the Bolsheviki represent the lowest layer of Russian society —the very dregs, to be precise—that their experiment in despotism has far-reaching significance. I call them the dregs, not from any snobbish rating, but because that is a word which describes them."

In the matter of religion Bolshevism knew no law. As with the Communists of Paris, God was formally "abolished" by resolutions; religious emblems and priests and churches were treated with every kind of contumely. Vladimir, Metropolitan of Kiev, 20 Bishops and hundreds of priests in that District were killed, tortured, burnt

*Note.—*Saturday Evening Post*, May 4th, 1918.

or buried alive;* Cathedrals were sacked and pillaged, churches defiled, sanctuaries profaned, nuns brutally treated and murdered; in Cronstadt Cathedral the great figure of the crucified Christ was torn down and destroyed, and a monstrous Pagan form placed in its stead, which symbolized "Freedom of Mind"; Socialism was deified as a religion and, to the mystical Muscovite mind, this was not so absurd as it seems. As to the general situation George Kennan, Russian writer and explorer, told a New York audience on Mch. 7th, 1918, that: "The Bolsheviki have established in Russia a rule more despotic and horrible than has existed since the reign of Ivan the Terrible. Their motto is vengeance on the middle and upper classes without mercy and to the end. . . . You cannot compromise with Socialists of this Russian type. You must crush them or they will crush you."

During 1918 the question of Bolshevist propaganda was a vital one in all countries. It was open, avowed, deliberate and largely subsidized from Russian funds; it was designed to foment disturbance and disorders of all kinds; it was calculated to irritate and arouse Labour in all countries along lines of class antagonism, to develop strikes and cause civil strife and bloodshed; it was against all Governments and all authority. Thousands of tons of cleverly-worded Bolshevist literature were stated by New York officials to have been distributed in the United States during this year; 8,000 Russian cloak-makers, seamen, dock-workers, etc., organized in 1918 a Soviet in New York which undertook the task of "educating" the local workers; in other parts of the United States, in many factories and shops there were groups of workers promoting agitation, distributing the *Revolutionary Age*—an American journal which "explained" Bolshevism—by hundreds of thousands together with myriads of Bolshevist pamphlets; according to the Munich *Post* in March, 1918, Radowski, local representative of the Ukraine Soviets which were then strong, had large funds for propaganda purposes; in England Litvinoff the unaccepted "Ambassador" of the Bolsheviki, was the official agent for this kind of work, in Austria it was Radek and in Germany Adolphe Joffe, in France and Italy it was Mme. Balabanoff, in Switzerland Kameneff, in far-away Australia it was Simonoff.

What the distribution of literature in Europe at this time must have been is hard to calculate. It had the psychological moment of intense unrest and disorder; it was backed up by Russian printing presses with an unbounded supply of roubles and a Government which had, for the time being, the substantial gold reserves of the Banks and the nation in control; it realized the cry of General Mannerheim from Finland: "If anarchy breaks through the dam we are trying to raise, the blood-red flood will flow westward." To war-crushed Europe the appeal of the Bolsheviki was very deceptive. While Trotzky was parading his own country in the pomp of armoured cars, surrounded by Red Guards, and maintain-

*Note.—Rev. R. C. Foster, British Chaplain at Odessa, London *Chronicle*, April 10th, 1919.

ing power by a blood-stained army of hirelings, he was writing to the ignorant masses in other countries that: "The United States of Europe, without monarchies, armies and secret diplomacy, is the most important elementary part of the peace programme of the proletariat!" Yet the peace these men practised was the cruellest form of war. As Arthur Ransome, correspondent in Russia of the London *Daily News*, (a Pacifist, pro-German, Socialist organ) put it in the *New Republic* of July 27th, 1918: "The Bolsheviki leaders, Lenine and Trotzky, had come from exile in western countries not merely to take their share in a Russian revolution, but to use Russia in kindling the world revolution. They called for peace, but peace, for them, was not an end in itself. They could say, with Christ, that they brought not peace but a sword."

As the year passed on the upheavals in Central Europe gave more scope to the propaganda and, if it had not emanated from what they believed to be a hostile country, the Poles and Czecho-Slovaks and Serbs would have been overwhelmed by it. As it was, Hungary was captured, various centres of Germany controlled for a time, Bulgaria under a peasant leader called Stambuloff was overrun, Roumania and other countries menaced. In France and Italy the irreconcilable Socialists of the Marxian type continued to cause trouble but were kept under control. Everywhere the Red Flag of Karl Marx was waved and the process carried to countries far, indeed, from the country of its origin. There was, at the end of 1918, distinct danger of the peasant proletariat of all Central Europe coming together upon a basis of this Socialism with fear, hatred and revenge, gloomy and despairing class-warfare, as the chief elements of propaganda and co-operation. Leaders of the common sense element in British and American countries wakened up gradually to the full peril of the situation; President Wilson practically retracted his earlier recognition of the Soviet and, on Sept. 23rd, the U. S. Secretary of State sent a despatch to all American Ambassadors abroad:

> This Government is in receipt of information from reliable sources revealing that the peaceable Russian citizens of Moscow, Petrograd, and other cities are suffering from an openly avowed campaign of mass terrorism and are subject to wholesale executions. Thousands of persons have been shot without even a form of trial; ill-administered prisons are filled beyond capacity and every night scores of Russian citizens are recklessly put to death; and irresponsible bands are venting their brutal passions in the daily massacre of untold innocents.

In Canada Bolshevism took various forms. It appeared under the guise of Social Democracy, or Labour rights, or continuous denunciation of Capitalists and moneyed classes; it had a basis wherever Russians and Jews and other foreigners gathered together with special centres in Montreal, Toronto, Winnipeg, Calgary, Edmonton, Vancouver; it was engineered also by I.W.W. agitators from the States and operated in the Mines of Northern Ontario, Alberta and British Columbia. Non-intervention in Russia or withdrawal of troops from there was one of the items of propa-

ganda, circulation of seditious, anti-war pamphlets or leaflets was another; speakers and writers of this class mixed up Democracy and Bolshevism which were as opposed to one another as oil and water. Democracy had fought Upper class rule for centuries; it was now to be turned into an engine for the creation of supreme authority for the Lowest class in the community! The subject is so mixed up with that of the I.W.W. in Canada that the two were practically one; at the end of 1918 there were 21 Soviets established in the country awaiting a chance for action—as in Winnipeg. Let an extract from the Toronto *Globe* of Dec. 21st conclude this study: "If there are groups in Canada who advocate the kind of despotism under which Russia now groans, they should be treated as public enemies."

Labour Problems and Conditions in Canada during 1918

There was no question as to the War attitude of Labour in Canada during this year; though, as in Great Britain and the United States, there was a small minority opposed to all war and to all Governments and to all classes except its own. The latter was ineffective as a force against the views of the vast majority in War matters; here and there, however, it was influential, under disguised colours, in forwarding Bolshevism or Socialism and in promoting strikes. As the Russian propaganda of the year developed, however, as I.W.W. efforts increased and the One Big Union idea loomed larger, as the cost of living continued to grow, the unrest increased and strikes grew in volume and numbers. The fundamental factors in this situation were similar to those in other English-speaking countries.

There was (1) the high cost of living caused primarily by the War and its immense demands for everything created by labour and controlled by capital and, secondly, in too many cases by the raising of prices beyond the basic economic requirements and for purposes of pure greed; (2) the continued lack of intercourse between employer and employee and apparent absence of the mutual and common interests which really existed—as a result, chiefly, of great specialized industries in which manager and men lived in worlds apart and seldom came together as they had done in simpler periods of life when a less complex organization of industries prevailed; (3) the popular difficulty of understanding that any unduly inflated increase of price for products and increase of wages for production must by infallible operation of economic law inter-act injuriously upon the community as a whole—no matter which process came first or whether the cause was in legitimate and competitive demands for products in time of war, the illegitimate action of profiteers or the inevitable strikes of restless workers; (4) the inherent desire of democratic humanity, and the natural growth of agitation, for fewer hours of work with the consequent decrease in production and higher prices for products; (5) the unscrupulous action of greedy profiteers amongst employers and of paid agitators or labour profiteers amongst the workers which enhanced distrust,

prevented co-operation, encouraged under-production, promoted strikes, hampered the use and development of capital and, in the end, lessened the yearly returns of both industry and artisan while further increasing prices to consumers who included both employer and employed; (6) the policy of farmers who demanded freedom of prices when the world demand exceeded supplies and rates ruled high, and urged Government action when reduction in prices seemed possible; (7) the position of the middleman between producer and consumer who very often obtained an altogether undue profit upon the sale of his product—a profit further added to the cost of living.

Out of all the turmoil of thought and talk which these conditions produced—a turmoil which by the end of this year covered the world with its tentacles—two points emerged for final settlement. The first was whether the world should go back to absolute class government and principles of life with the working class as the pivot upon which all wheels should turn and the ruling power in all relations of life and thought and society; the second was whether an adjustment of conditions should take place—not backward but forward—to a clear recognition of the inter-relationship of humanity with all its wide personal differences of view, physique, culture, character and environment, of the fact that capital and labour, the interests of the manager and the men, the affairs of the individual and the community, were all bound up in a vital necessity for the generous co-operation of classes and masses. Upon which should triumph depended the future of the world. Canadian opinion was in a state of flux, the unrest was obvious, the discontent of the workingman undoubted. This unrest was, fundamentally, economic in cause and a natural result of high prices and the cost of living; in a sentimental and surface way it was exploited by all the imported elements of trouble which a great war of five years' duration would be expected to interject into, or bring to the top of, any community. The manufacturers and capitalists made money—many in moderation, some with a conspicuous lack of moderation. The stories of these huge profits were frequently true, though very often, also, the large investments required to make these profits, the skill and mental toil necessary to develop a new business or a risky war venture, the long preliminary period of probable losses, were not known or considered. But, as a cause of unrest, it must be said that the facts indicated in the following table had a cumulative force—though only known from time to time in partial detail. But they steadily permeated the public mind, side by side with the obviously increasing wealth of individual manufacturers, and undoubtedly helped to enhance the Labour difficulties of the period:

Industry or Institution.	Year.	Surplus or Net Profits.
N. S. Steel and Coal Co.	1916	$2,024,478
Dominion Steel Corporation	1917	4,900,189
Steel Company of Canada	1916	2,996,843
Hudson's Bay Co.	1918	685,805
B. C. Packers' Association	1917	548,231

Industry or Institution.	Year.	Surplus or Net Profits.
Maple Leaf Milling Co.	1918	1,021,266
Western Canada Flour Mills Co.	1918	543,844
Ogilvie Flour Mills Co.	1917	1,955,414
Lake of the Woods Milling Co.	1918	857,914
International Nickel Co.	1917	2,065,003
Canadian Car and Foundry Co.	1918	3,252,608
Sherwin-Williams Co. of Canada	1918	1,162,961
Canada Life Assurance Co.	1917	1,359,204
Canada Cement Co., Ltd.	1916	484,181
Canadian Consolidated Rubber Co.	1917	1,208,918
Canadian Cottons Ltd.	1917	926,615
Can. General Electric Co., Ltd.	1917	1,133,586
Dominion Textile Co., Ltd.	1918	1,873,371
Imperial Tobacco Co., Ltd.	1917	2,455,224
Laurentide Co., Ltd.	1917	1,720,011
Riordan Pulp and Paper Co.	1917	1,032,942
Russell-Motor Car Co.	1917	643,590
Canada Permanent Mortgage Corporation	1917	852,325
Dominion Power and Transmission Co.	1917	726,219
Hollinger Consolidated Gold Mines Ltd.	1917	1,720,314
Canada Steamship Lines Ltd.	1917	2,178,401
Canadian Pacific Railway	1918	2,203,621
Bell Telephone Co.	1917	533,017

These profits were large but the most of them were fairly earned under existing economic conditions; in some cases, however, it was hard to convince the consumer of this fact. For instance, an official Report at Ottawa, compiled by Miss B. J. McKenna, (Mrs. G. Hambleton) dealt with the war-time profits of the Milling Companies and stated that the net profits of the leading concerns in 1914 and 1917, respectively, were as follows: Ogilvie Flour Mills 15 cents per barrel of flour and 20 cents; Lake of the Woods 13 cents and 20 cents; St. Laurence Flour Mills 15 cents and 17 cents; Maple Leaf Milling Co., 11 cents and 30 cents; Western Canada Flour Mills 16 cents and 19 cents. The comment of the Report was explicit: "Contrary to the general belief, the profit per barrel of flour made by the various Milling Companies is comparatively very small. Eighteen to twenty cents per barrel seems an extremely small amount to make considering the high price of flour at the present time. Nevertheless, the net revenue from such profits per barrel have been sufficient to pile up immense surplus profit accounts, redeem bonds and pay dividends either larger than had hitherto been paid or on stock which received no dividends previous to the last few years." The surplus profits of the Ogilvies increased in 1913-17 by $2,200,000, those of the Lake of the Woods by $1,000,000, those of the Maple Leaf concern by $1,500,000—the regular dividends of this latter Company being 12 per cent. in 1916 and 25 per cent. in 1917.

The issue taken by Labour, in these and other cases, when stripped of all Bolshevist, I.W.W., Socialistic or other excrescences, was whether the bulk of these profits should not have gone back to the worker as wages or back to the nation in a reduced price for staple commodities! The average workman did not think or talk of it just

in that way but a feeling of resentment was there and it deepened the growing gulf between employer and employee. The rash, impulsive labourer listened to the voice of the agitator and struck for higher wages without an attempt at conciliation or compromise; the thoughtful workman or honest leader turned to constructive policies such as profit-sharing or the minimum wage. So in varied details did the manufacturer who looked beyond the current year's revenue and the past month's pay-sheet; men like S. R. Parsons, or Sir John Willison and his associates, sought for means to bridge the chasm. Perhaps the striving in Canada for a common ground of co-operation between Labour and Capital, amidst conditions naturally and greatly affected by United States developments and similarity of problems, was best represented in many ways by the arguments of John D. Rockefeller, Jr., the American capitalist and student of Sociology, in a series of addresses upon after-war reconstruction. He argued that an industry should be of social service as well as of private utility for profit and that a prime object should be the well-being of all men and women engaged in it; that its operation should serve the interests of the worker, the investor and the community alike; that the parties to an industry were capital, management, labour and the community and that all four should be represented in its control; that partnership was the essence of this relationship and not enmity or separate policy. He elaborated a personal Creed which was well worthy of consideration and eminently productive of thought whatever the opposing points-of-view might be:

1. I believe that labour and capital are partners, not enemies; that their interests are common interests, not opposed, and that neither can attain the fullest measure of prosperity at the expense of the other, but only in association with the other.

2. I believe that the community is an essential party to industry, and that it should have adequate representation with the other parties.

3. I believe that the purpose of industry is quite as much to advance social well-being as material well-being, and that in the pursuit of that purpose the interests of the community should be carefully considered, the well-being of the employees, as respects living and working conditions, should be fully guarded, management should be adequately recognized and capital should be justly compensated, and that failure in any of these particulars means loss to all four.

4. I believe that every man is entitled to an opportunity to earn a living, to fair wages, to reasonable hours of work and proper working conditions, to a decent home, to the opportunity to play, to learn, to worship and to love, as well as to toil, and that the responsibility rests as heavily upon industry as upon government or society to see that these conditions and opportunities prevail.

5. I believe that industry, efficiency and initiative, wherever found, should be encouraged and adequately rewarded, and that indolence, indifference, and restriction of production, should be discountenanced.

6. I believe that the provision of adequate means for uncovering grievances and promptly adjusting them is of fundamental importance to the successful conduct of industry.

7. I believe that the most potent measure in bringing about industrial harmony and prosperity is adequate representation of the parties in interest.

8. I believe that the most effective structure of representation is that which is built from the bottom up, which includes all employees, and, starting

with the election of representatives in each industrial plant, the formation of joint works committees, of joint district councils and annual joint conferences of all the parties in interest in a single industrial corporation, can be extended to include all plants in the same industry, all industries in a community, in a nation and in the various nations.

9. I believe that the man renders the greatest social service who so co-operates in the organization of industry as to afford to the largest number of men the greatest opportunity for self-development and the enjoyment by every man of those benefits which his own work adds to the wealth of civilization.

Some practical efforts at co-operation and co-ordination of interests were made during the year. The most conspicuous was a plan initiated by Hon. W. J. Hanna, K.C., President of the Imperial Oil Co. of Canada, and supported by the leaders of the Standard Oil Co. of the United States. It was publicly inaugurated in Canada at a Sarnia banquet on Dec. 19th, after having been tried out at several plants of the Standard Oil and was known as the Industrial Relationship plan. The Imperial Oil concern had been expanding for 27 years, had never had any serious labour difficulties and now owned the largest oil refinery in the British Empire. The new policy was one of organized collective bargaining. Under its operation 15 delegates were elected by the workers and 15 officials appointed by the Company; they met monthly as a joint Committee and dealt with all grievances and wages and labour conditions in general; they handled the peculiarly complex conditions of the Oil industry through elective groups of Committeemen—(1) trades such as masons, carpenters, blacksmiths, etc., (2) yard labourers, drivers, stablemen, etc., (3) special trades such as candlemakers, parafine workers, etc., (4) refinery hands, acid workers, etc. No employees were to be dismissed without fair hearing by their own delegates except for breaches of discipline endangering life; the Company maintained an open shop with no discrimination; the trouble of laying-off men under lack of employment conditions was met by a system of transfers to other departments; a comprehensive plan of insurance against accident and ill-health was also arranged at the expense of the Company.

The point of the whole effort was in words used by Mr. Hanna when explaining the scheme: "We are feeling our way towards an organization of industry which will reflect and express its essential partnership, which will enable us to meet our great war debts and to carry our economic burdens but, more important than that, will restore to us the personal touch with, and the realization of our responsibility for, the welfare of those around us, and for the proper ordering of society, which to some extent, at least, we lost in what we call our industrial era." There were many other proposals. A. C. Flumerfelt, a capitalist and public man of Victoria, B.C., after admitting the difficulties of arbitration, profit-sharing and even co-operation, suggested in the local press of July 28th a plan, under which wages would be based upon the current price of the necessities of life.

The Massey-Harris Co. was a large concern which also had little

trouble with its men and, at this time under the management of Thomas Findley, it devoted much attention to improving conditions of work, and providing better facilities for the men, better means of safety against industrial accidents, better and more efficient means of alleviating pain through accident, or rendering first aid to injured, and in providing an industrial dining and rest hall. In several concerns the Profit-sharing plan was adopted during 1918, with evidences of further growth. New York set an example through its Guaranty Trust Company and Toronto followed with its big departmental stores—the Robert Simpson Co. and the T. Eaton Co. Ltd., while the Boeckh Co., Ltd., was a manufacturing concern which carried out a successful plan. The C.P.R., on the whole, maintained its reputation in this year as a good employer of labour and in February 4,000 trainmen received an advance of approximately, 25 per cent. with an 8-hour day established. Even this Company, however, was affected by the prevailing unrest and 400 machinists at Winnipeg struck for a time because of the retention of an unpopular official; dissatisfaction was expressed over the substitution of negroes for white men in the dining-car service of the Western Division but a Conciliation Board majority Report declared that this change was not intended to be, nor was it, an act of discrimination against any Union; the Western freight handlers struck in September over recognition of their Union and seniority in promotion but, in reality, because of restless conditions in Winnipeg and Calgary.

Minimum Wage legislation was approved in 1918 by the Manitoba and British Columbia Legislatures and Boards of Administration appointed at Winnipeg and Victoria. That of Manitoba set the rate for women in Laundries at $9.50 per week for adult workers and based the wage upon an estimated essential expenditure of $9.48. The general principle—especially for women—was approved by the Canadian Manufacturers' Association of Manitoba, but they deprecated, in a statement to the Legislature on Feb. 6th, any blanket rate of minimum wage for a whole Province. The principle itself was urged in many directions as (1) being calculated to enable the lowest paid workers to maintain a normal condition of comfort and health; as (2) a preventive of serious social evils and essential to social economy just as was a minimum education or accident insurance. It was opposed upon the ground of increased cost in production and difficulty in dealing with the unemployable, or shiftless class, and the youthful employees.

Meantime, there had been many employers entirely lacking in sympathy with their men or in any desire for real co-operation; absolutely indifferent to difficulties with cost of living conditions, ignorant of the daily requirements of a worker's family and the wage needed for living, let alone maintenance in reasonable comfort; appraising and utilizing the employee as so much machinery and his labour as a commodity which could be bought and sold for the benefit of his business. The workman or his leaders knew that the great bulk of wage-earners did not save enough to provide for

old age or ill-health; that this was often due to extravagance or drink, or lack of thrifty management in the home, was never specified and not much regarded. The indifference of the employer was too often returned with hostility and all the evils of life were laid upon his shoulders. In this general connection the Toronto *Daily News* (Nov. 28th, 1918) made some interesting suggestions along the lines of economic Socialism:

1. Old age State pensions; insurance against unemployment; insurance against sickness; and maternity insurance.
2. Some measure of insurance against the breaking up of a home on the death of the bread-winner, so that the children may continue to be cared for by their mother and have the usual educational advantages.
3. The general introduction of the profit-sharing system and the representation of employees in the management of industries.
4. The establishment of Joint Boards representative of Capital and Labour for the control of wages and working conditions in industries and groups of industries.

A practical and progressive step was taken in April when the Electrical workers and contractors of Toronto agreed to the appointment of a permanent Conference Board which should adjust all matters of difference as to wages and work. Another effort along this line was the formation at Toronto on Apr. 29th, of the Workers' Educational Association. The meeting was attended by 100 representatives of Labour, Socialism and Educational institutions and the object of the organization was "to provide an opportunity for the workers to obtain the benefits of University education, and assist them to acquire the knowledge which is essential to intelligent and effective citizenship." Sir Robert Falconer reviewed the work of a similar body in Great Britain and J. T. Gunn and other Labour men spoke. James Richards was elected President and group classes were at once arranged while the University granted $1,000 in support of the project.

Meantime, as shown in strikes which numbered 169 in 1918 compared with 141 in 1917 and 152 in all the three years of 1914-16, the restless condition of labour was increasing steadily. In 1918 the shortage of labour was the first great problem of the year, with 100,000 men required and no clear evidence of where they were coming from; at the end of the year conditions had changed with sweeping suddenness and for a short time unemployment was rife until re-adjustments were made. At this time there were in Canada 148,887 members of Labour organizations or an increase of over 100,000 since 1915. The largest single body was the Trades and Labour Congress representing 117,498 members and affiliated closely with the American Federation of Labour. The total of all Canadian Trades Unions affiliated with United States bodies was 201,432. Of the total Labour unions Montreal had 32,422 members, Toronto 18,834, Winnipeg 12,050, Vancouver 15,459. Of the classes of Labour represented the Railway employees stood for 28 per cent. of the whole, Metal Trades 13 per cent., Clothing and Shoe Trades 6 per cent., Mining, etc., 9 per cent.

As the months of 1918 passed many industries were tied up

from time to time—the shipyards of Vancouver, despite appeals from the Munitions Board on patriotic and war grounds; the Tramways of Halifax were stopped from running without an hour's notice or any attempt at conciliation; the Fernie, B.C., and Drumheller and Alberta miners in general, went out again and again in spite of the imperative need for coal; the Nova Scotia miners urged and obtained an 8-hour's day, and after months of threatened action, a Royal Commission and an award which the employers conceded; Metal Trade Councils in Vancouver and Victoria ordered a general shipping strike on May 24th, held up $50,000,000 in ship-building contracts and endangered what was, practically, a War industry—after the Munitions Board had offered a 10 per cent. increase all round and a 48-hour week; street-car strikes took place in Ottawa, Winnipeg, Calgary, Vancouver and Victoria, with general strikes threatened in the three latter cases but not actually ordered or obtained.

A threatened strike of the 35,000 men in the motive-power departments of Canadian Railways was averted by acceptance of the terms granted United States railway men in the McAdoo award —though Canadians wanted more—and by the refusal of the American Federation of Labour to recognize the strike; the Ottawa Street Railway men struck in opposition to the wage-scale recommended by a Board of Conciliation; the Sydney (N.S.) Mines were closed down because four miners who had been promoted resigned from their union and the Company refused dismissal; the Miners of Pictou struck against the N. S. Coal and Steel Co., refused an offer of the same wages as the Sydney miners were getting and the appointment of a Conciliation Board to settle remaining differences; in one of their several strikes the Fernie, B.C., miners refused to return to work pending conclusions of a Royal Commission appointed by the Provincial Government; during the September strike of the C.P.R. freight handlers a number of Calgary unions, including the Street Car men, went out on sympathetic strike as well as a number of unions in Edmonton; an exceptional strike was that of the paper-mill workers in Ottawa who demanded from J. R. Booth, the lumberman, either increased wages or reference of the claim to arbitration and were refused both. Out of 169 strikes, however, 89 aimed at higher wages and the general result for the year was a distinct scaling up of wages and of the cost of living with a scaling down of the working hours and the total product.

Whatever the nominal or real causes certain strikes of the year stood out very clearly. Notable amongst them were the Civic disturbances caused by the spread of Unionism to various City employees and to even the guardians of Civic order. Winnipeg, Montreal, Ottawa, Hamilton, Calgary, Edmonton, Vancouver, St. John, Toronto, had troubles of this sort and it may have been significant that the effort to get the Police and Fire-Brigades into the Unions was co-incident with the growth of the I.W.W. and One Big Union and Bolshevist propaganda. The situation by the middle of

the year was considered by many to be menacing to public order and the Canadian Chief Constables' Association, meeting at Hamilton on July 17th, adopted a Resolution asking the Government for legislation making it an offence for Police officers, and others engaged in the administration of the law, to join or become affiliated with trade unions. In commenting upon this the Toronto *Globe* (July 19th) suggested that the better way to achieve the result properly sought would be for Boards of Police Commissioners and municipalities to make individual agreements with the men engaged in Police work under which these officers would be pledged against affiliation with any organization which could subject them to a call to strike. The Labour leaders objected to this and similar utterances; but it was pointed out that the Police stood for and were paid by the whole people not by a Company, a Society, or a section of the public, that they represented both capital and labour, and were sworn to guard the legal interests of both.

There was a strike of Vancouver civic employees late in April which did not include Policemen or Firemen but the real issue began at Winnipeg on May 1st when 200 civic electricians went out and were shortly joined by the teamsters and waterworks men. Then the Fire Brigade, which had been officially permitted to unionize themselves a few months before on the understanding that they would not join in strikes, whose recent claim for a 12 per cent. increase had been satisfied and who had no apparent grievances, joined the strike as a matter of sympathy and were speedily followed by the Government telephone operators; the C.P.R. freight-shed workers followed later on and the Policemen, while not directly joining the strikers were more or less in sympathy with them. Most of the public utilities, after some delay, started operation again with a limited supply of helpers and the struggle took the form of a demand from city authorities and many citizens that municipal workers should not have the right to strike and should agree to stand by arbitration in disputes with the City; while the men were stirred up by all kinds of Socialist activities and an under-current of alien labour.

Yet the origin of the dispute was simple enough. It was in November, 1917, when the Federation of Civic Employees presented to the City authorities a schedule of employees with suggested grades and salaries, modelled, it was said, upon the lines of a Municipal Report in the City of Milwaukee; in March, 1918, a further schedule was presented and, on Apr. 9th, reports from the heads of all departments in the Civic service had been received, under instruction from the Board of Control, as to a suggested equalization of salaries in the Staffs at an average rate. It was not acted upon except in a very limited way and on Apr. 26th a Delegation of employees met the Board of Control with a view to establishing their schedule for the year of May 1st. No settlement was reached by that date and then the troubles began—though, meanwhile, application had been made to the Labour Department by the Federation for a Board of Conciliation. With the demand

for re-arrangement of salaries came one for increased rates; the City admitted that some increase was reasonable and suggested a War bonus plan which was not acceptable either to the men or the four Unions which later went on strike.

By May 23rd one-half of the C.P.R. car-men, 900 C.N.R. men, or about 11,000 men altogether, were out, with all services in the City badly hampered and the announcement by Labour leaders that they intended to call a general strike—toward which they had been working for some time. On May 16th the Unions had taken public steps toward this end while a mass-meeting of citizens pledged support to the authorities as did the Local Council of Women representing 1,000 members. Meanwhile Senator G. D. Robertson, Minister of Labour, who had come to Winnipeg, suggested a Board of Arbitration to deal with the situation; a Conference had been held between the Minister, the City Council and David Campbell, K.C., whom Mr. Robertson had appointed to try to settle the strike; a Winnipeg Council of 100 leading citizens was appointed to support the City, or promote a settlement, as conditions might warrant with A. L. Crossin as Chairman.

Then came votes by various Union organizations (said to number 36) in favour of extending the sympathetic area of the strike and a Conference between the Provincial Cabinet and representatives of the men. Toward the end of May the Street Railway men, who had recently received an increase and signed an agreement for three years more, joined the sympathetic strike as did Railway machinists and many other Unions—the International Typographical Union being held back by the positive orders of the President, M. G. Scott, who wired from Indianapolis that: "The sympathetic strike idea has been repudiated repeatedly by the American Federation of Labour, and by this International Union, and if the members of No. 191 order an illegal strike, their action will be disavowed by the Executive Council without the slightest hesitation." Meantime the Unions had published a daily journal called the *Western Labour News*, edited by the Rev. Wm. Ivens, an extreme Socialist, and on May 22nd this organ declared that:

> Our policy is to propagate the only thing that will really help the workers —the struggle for the control of political power. The class struggle, however hateful it may sound to some, is a living fact. . . . Again let us repeat that our mission is to show you your true position in society. If the lesson of the solidarity of your masters and their hirelings teaches you the necessity for working class solidarity and class consciousness, then the master class of Canada will have suffered the greatest loss and the working class will have achieved the greatest victory of all the ages.

This, of course, was pure Bolshevism. On the same day the Minister of Labour addressed the Council and told its members that Firemen as well as other Civic Unions should have the ultimate right to strike; that the men could not be expected to arbitrate the present dispute so far as it involved this point as the right to strike was the chief weapon of trades unionism; that he would admit the right of workmen to sympathetically strike if a principle

such as this should be involved.* At a strikers' meeting on the same day 3,000 men heard extreme Socialist speeches from E. J. Johns and others; Mr. Johns declaring that "anything which is in the interests of the working-class is right." These were the last fireworks of the fight and on May 23rd a settlement was come to as to Civic employees upon the following basis:

1. Striking employees to be re-instated under wage schedules already agreed upon.
2. Negotiation as to all future disputes and provisions for Conciliation and Arbitration by Board of Inquiry.
3. No strikes pending the report from such Board of Inquiry.
4. Union acknowledgment that a strike by Firemen is undesirable and a statement in the agreement that it should be resorted to "only in case of extreme provocation."
5. Officers of the Fire Brigade not to be eligible for membership in unions.

The sympathetic strikes, which ran the total up to 14,000 men, were settled by the men being taken back without discrimination. The Police did not strike as a body on this occasion but they had been in a state of doubt; in Calgary early in June the Civic workers who had formed Unions—the Street Railway men, Firemen and Civic labourers—united in a Federation while the Police formed a Protective Association not affiliated with the Labour Unions; the Police Commissioners in Ottawa, had, meanwhile, dismissed some men for forming a Union chartered by the Dominion Trades and Labour Congress and, eventually, after much controversy, the matter was settled early in May by the re-appointment of most of the men and the withdrawal of the Charter; in Vancouver, during June, while a Police Union was being organized, the chief promoters were dismissed from the Force and then, in defiance of the Chief's orders, a Union was formed and affiliated with the local Trades and Labour Council. In this latter case the organization was effected by V. R. Midgley and A. S. Wells, two Socialist agitators, and the protests of the public and leading citizens were vigourous; the Police Commission finally weakened, however, and the matter of affiliation—the formation of an independent union was not in dispute—was left to a ballot of the Policemen, who, of course, approved the organization. The Firemen also joined the Union system and on Sept. 9th the City Council sent to Ottawa a Resolution declaring that they viewed the situation with great alarm, feared the consequences that might arise in respect to strikes, and asked the Dominion Government to enact legislation making such affiliations with organized Labour illegal. In St. John a similar dispute took place and 27 men were dismissed for joining such a Union, but were afterwards re-instated, and the charter issued to the Police Union.

In Toronto it was announced on Oct. 12th that the Toronto Police Federal Union, No. 68, had been formed with C. W. Scott as chairman; on Dec. 3rd the Commissioners were asked to formally

*Note.—Winnipeg *Telegram* report May 23rd.

recognize it but declined unless the charter of affiliation with the Labour Council was abrogated. The Board was prepared to concede the principle of collective bargaining, but pointed out that duty might require constables to suppress disturbances arising from strikes and labour troubles, and that if they were trade unionists they might be indisposed to act against fellow-unionists. The *Globe* supported this view and urged a Union unconnected with others and recognized by the City. On Dec. 13th, however, 268 members voted to retain the Charter and elected T. McBurney, President, in place of Mr. Scott, who favoured its abandonment; on the 17th 385 out of about the 500 men on the Force had struck after submitting 13 grievances which Lieut.-Col. H. J. Grasett, Chief Constable, promised, with two exceptions, to rectify; following the strike 13 officers were dismissed. Colonel G. T. Denison, Police Magistrate, declared that extreme Socialism was behind this sort of thing and refused to countenance affiliation though quite willing to recognize a separate Union. Finally the matter was settled on Dec. 20th along these lines:*

1. The Toronto Police Force to resume their duties at once, all men to be reinstated save one, and to have the same status as before the strike; a Royal Commission to be appointed by the Ontario Government to inquire into the matter.
2. The Union to hold the charter obtained until such time as the Royal Commission directs its surrender, or otherwise and all parties to agree to accept and abide by the report of the Commission.
3. The Police to give up the charter and surrender it if so decided by the Commission to be appointed; this clause in no way to be construed as a recognition of the charter by the Police Commissioners.
4. The Police bind themselves not to engage in any strike, sympathetic or otherwise, until the decision of the Royal Commission has been given.

In Hamilton the Police Commissioners at first prohibited such a Union but it was eventually organized and chartered. Various Civic troubles developed in Toronto during this year. After a month's threat of striking, based upon a wages increase which the City offered at the rate of $2.00 a week, War-bonus, dating from Apr. 1st and which the men demanded should be a $4.00 weekly advance from Jan. 1st with $22.00 minimum, a part of the employees in the Works, Parks, Street and Property departments, struck on July 5th—about 1,200 out of 2,500 men. The wages of unskilled labour of this kind ran from $16.00 a week in Montreal, Ottawa and Buffalo (U.S.) to $18.00 in Hamilton; the situation was complicated by the employees asking for a Board of Conciliation which the City Council refused; it was aggravated by the fact of street cleaners and garbage men sharing in the strike. Finally, an arbitration Board was appointed by the Provincial Government with Judge Coatsworth as Chairman and the strike was settled on Aug. 12th by an Award which granted an increase of $1.00 per week from July 1st, over and above the War bonus of $2.00 a week, and by the adjustment of certain minor grievances. Toward the

*Note.—The decision of Sir W. R. Meredith, Commissioner, some months later, was against the right of affiliation.

close of the year a serious strike developed in Montreal where, on Dec. 10th, the Policemen and Firemen went out and left the city without protection.

The reasons given were that the answer of the Civic authorities to a demand for increased wages was not acceptable in part or in whole, that the authorities refused to deal with authorized representatives of the Unions or to negotiate sincerely with the employees, and that the heads of the Force—Joseph Tremblay, Arthur Mann and J. A. A. Belanger—had been convicted of offences which rendered their retention in office undesirable. The City authorities protested that they could not let the men choose their chiefs and that $180,000 total increased wages were provided for in the forthcoming year. On Dec. 12th an ugly riot took place during which Fire stations were wrecked, citizens held up and robbed, stores looted, property damaged and the red-light district opened wide, while all kinds of lawlessness prevailed. A volunteer citizens' force was organized to help in keeping order and running the Fire-halls but it was not very effective and by this time a number of men from the Incineration department and the Waterworks had joined the strikers. A conference followed between the City Commissioners and the Labour Council while Sir Lomer Gouin came up from Quebec to assist in a settlement. On the 14th it was announced to a tumultuous crowd of 2,000 men—after an address from Archbishop Bruchési—that the three obnoxious heads of the Force would be asked to retire if arbitration as to wages was accepted by the men. A vote was at once taken and the strike ended. The Award gave a substantial increase in wages and included an important decision as to the Union question which was at the back of the trouble:

Preamble. The Board of Arbitrators in its decision as to the formation of Associations amongst municipal employees, and the affiliation of such Associations with other organizations, do not intend or purpose to pronounce upon the rights of workers in general to form societies and federate such societies, but have considered it advisable to rule against the Federation of Societies consisting of Civic employees; and, in the larger services, such as Fire and Police, have provided that the employees be represented in the preparation of a manual covering such departments; and for all departments have provided a definite system for the consideration of all grievances; and have established an independent Tribunal of Arbitration which would ensure the Civic employees ample justice.

Police Award. Policemen may have their society or association for the consideration of their own affairs, but must not be affiliated with any other association, society or a union. The membership of such society or association will be confined to active members of the Police Force of the city, or retired members who are on the pension list.

Meantime, there had been continuous trouble amongst the Fernie, B.C., and Alberta miners who constituted District 18 of the United Mine Workers of America. It was significant of an extreme measure of unrest, of a considerable I.W.W. membership, of an irrational and unreasonable attitude toward employers, of a readiness to break agreements with little or no excuse. The men of the Drumheller Mines, however, struck so often and for such slight

reasons that even the District Executive would not stand for it; in addition to this trouble these mines—upon which Calgary depended for its coal and with a capacity of 5,000 to 8,000 tons per day —were frequently closed on account of poor transportation facilities; of the 2,000 miners in this district, 70 per cent. were said to be aliens and over half of this number alien enemies. On Feb. 4th these men struck to force Unionism upon one mine which had always been non-union and was so when the last agreement with the Operators and Government Commissioner had been made; a riot followed with two R.N.W.M. Police holding an infuriated mob at bay for hours and winning out—as they usually do in the West; efforts were then made to get the mine engineers to join in a sympathetic strike with a probable flooding of the mine and serious injury to the property; the Mounted Police brought up a machine gun and announced their intention to protect the mine and to this the strike leaders replied that they would raise all the miners in Western Canada; a part of the press, anxious about the coal supply, urged the Provincial Fuel Commissioner (W. H. Armstrong) to compel recognition of the Union as he had power to do; other miners struck in sympathy but the District Convention decided the action to be irregular; on Feb. 22nd the Mine was placed under Mr. Armstrong's control and the men returned to work. Following this the miners demanded a standard wage of $6.00 per day and friction was constantly reported; from Apr. 1st the whole mining field of District 18 received an increase for its 5,000 men of 20 cents per day in addition to 20 cents awarded on Aug. 1st, 1917, and on Dec. 1st; as the months passed I.W.W. operations in this valley and the District generally became more active and in September-December a succession of strikes at Brulé, Drumheller, Wayne and Canmore, took place. The Postmen's strike of July was a matter of Dominion Government policy and is elsewhere dealt with—together with the Government's attitude toward Labour.

What of the Union organizations and their policy as a whole, during this period? It may be stated at once that they were controlled largely by the moderate war-time counsels of the American Federation of Labour and its leader, Samuel Gompers; that there was an internal struggle in the ranks between Socialists and extremists and alien workers against the moderate school; that J. C. Watters, James Simpson and other leaders of the Socialist wing were beaten in the Annual Congress meeting; that open threats of separation came from the West with stories of the coming formation of a One Big Union, or subsidiary of the I.W.W. organization in the United States. Mr. Watters modified his views somewhat in the course of the year but they still remained strong. In a speech at Ottawa on May 13th, he said that the workers recognized they could not win a pitched battle in the economic field. However, they had gained vantage ground and the time was now ripe to transfer their power where it would be greater than that of the business interests—to the political field. It was for them to control the

Government and to constitute it. The Trades and Labour Congress were against political action at this juncture but only, he stated, because it waited for Socialists and the Labour Party to come together and thus ensure success. His general views were curiously expressed at Victoria on Aug. 23rd: "The Bolsheviki are like the I.W.W. Their ideals are good and their principles are sound, but it is impossible to work them out, and their tactics are disastrous." As the year passed he refused officially to approve the Postal strike unless negotiations and arbitration were first tried and urged, on several occasions, and especially, on Aug. 30th in the B. C. *Federationist*, a Socialist co-operation of labour and capital, a joint control of industries, joint responsibility and a share of profits in place of wages.

The Trades and Labour Congress of Canada met at Quebec on Sept. 16-21 in its 34th session with President J. C. Watters in the chair and a formal welcome from Sir Lomer Gouin for the Province, Mayor H. E. Lavigeur for the City and M. J. Walsh for the District; the British Trades Union Congress, the American Federation of Labour and the Women's Trade Union League were represented; 43 international and affiliated organizations had delegates present with representatives from 25 Trades and Labour Councils and 253 Local Unions. In the Executive's Report a review was given of the organization's relation toward the Government war-policy of the past year and the discussions and decisions in that respect. It was stated that the proposed direct association with the Government through an Under Secretary of State for Labour had been declined; that representation upon all Advisory Commissions and Committees relating to the War or Reconstruction had been offered and accepted; that the Executive had proposed to the Government three alternative Railway policies—(1) Nationalization of all railways, to which, however, the powerful Railway Brotherhoods were opposed, (2) creation of a Central Control Board for their operation with Labour representation thereon and (3) Government compulsion exercised on Companies to increase wages to a living basis; that a proposal was submitted for free transportation on all Railways for workmen—in order to help the farmers in production; that agreement had been expressed in the Government proposals to exempt farm help from Conscription and to the use of boys, temporarily, on the farms in the holiday season, with the making of a Labour census and war registration; that they had protested the prohibition of light beer as unnecessary interference with the workers and had opposed any introduction of Chinese labour—even for war purposes; that greater protection for women in industry had been urged—by means of inspection and care as to the kinds of work done—as well as equal pay for equal work and political or voting equality; that a cable had been sent Mr. Lloyd George expressing "complete accord with the War-aims of the British Government."

The Executive made a number of recommendations. It (1) asked the Government to appoint a Commission to investigate Air-

craft possibilities for commercial purposes; (2) suggested some amendments to the Industrial Disputes Act and admitted that "a large number of settlements had been satisfactory to the organized workers" under its operation; (3) approved the formation of Provincial Labour Party organizations and urged an ultimate Canadian Labour Party. The membership was reported as 117,498 or an increase of 35,811 in the year. Regarding returned soldiers Resolutions were passed (1) against giving employers the services of the returned soldiers free of charge; (2) declaring that employment be selected for returned men in other trades than where a recognized term of apprenticeship was required; (3) in favour of the appointment of a Board of Award to protect the economic interests of the returned men; (4) in favour of a Labour representative being appointed on the Invalided Soldiers' Commission. A Dominion-wide Committee was appointed to look after the vocational training for returned men. For the first time in the history of the Congress a minority Report on the Executive's report was presented. Objection was taken (1) to the National Registration scheme and also to the Secretary of the Congress becoming a member of the Canada Registration Board, (2) to the formation of local wage boards to fix wages for farm labour, (3) to the exemption of men of allied nations from military service. Upon the important matter of Police and Firemen's Unions a special Committee reported and their opinions were approved in the following Resolution:

> That the Trades and Labour Congress pledges its support to the police and firemen, and instructs its officers, Provincial executive committees and Federations of Labour to oppose any legislation that is designed to interfere with the organization of police and firemen; and further urges all local unions and Trades and Labour Councils to use all means at their disposal to assist these workers in their endeavour to organize and maintain labour organizations and affiliate with Trades and Labour Councils.

Representation at the final Peace Conference was given P. M. Draper, J. C. Watters and Gus. Francq who were appointed Delegates—though how they were to act without international recognition was not defined. A Resolution urging repeal of the Military Service Act was refused consideration by 264 to 116; a motion opposing further intervention in Russia was tabled without a vote and a number of contentious subjects were sent to the Executive for consideration; a Resolution presented by the Mine Workers of Nova Scotia protesting against the introduction of Coolie labour on account of its "cheapness and pernicious competition" and declaring for a coast to coast general strike was accepted as to the first part and changed as to the second by a mild pledge of opposition; a declaration in favour of a National Minimum Wage based on local conditions and established on a weekly basis with adjustments every four months, should the increase in cost of living warrant it, was endorsed; five Resolutions in favour of the Government dealing with the Cost of Living were presented and the following passed, together with one in favour of standardizing the price of bread:

Whereas the fundamental source of the discontent and unrest that agitate the public mind and are constantly provocative of dislocation of trade and industries, as well as being a menace to the peace and prosperity of the people of Canada, is the disproportion that exists between the incomes, revenues, salaries or wages, and the exorbitant and constantly rising prices of food stuffs and necessaries of life;

Therefore, be it resolved, that it is expedient that the Government of Canada should immediately assume full and effective control of all prices of essential food stuffs, cereals, meats, etc., etc.; that such fixed prices be not more than those now existing in each case, thereby preventing further increases in the cost of these essential articles to the consumer, assuming that present prevailing prices are ample to stimulate production; that such control be exercised effectively, uncompromisingly, and with penalties attached to the violation of such regulations as, from time to time, are established by the Government.

Other Resolutions urged (1) the creation of a Government Fuel Department with Labour representation; (2) demanded that the Government take over all Railways and lands connected therewith and collect all profits; (3) asked for legislation to penalize contractors who violated the Fair Wage clause in Government contracts; (4) requested Government legislation to permit the manufacture and sale in Canada of any beverage not exceeding 2½ per cent. of alcohol by weight. A heated discussion took place on a Resolution in favour of supporting the Government's issue of War bonds which was carried by a large majority after an amendment, declaring that no interest should be paid on such bonds and that the interest provision on outstanding bonds be repudiated, was defeated. A multitude of other motions were approved of which the most striking were (1) endorsing a compulsory Insurance law; (2) favouring the nationalization of the Medical and Dental professions and control of all Hospitals by the State; (3) asking for a Government Old-age Pension scheme and a substantial tax on Land values; (4) declaring that Factory Inspectors should be elected by organized labour; (5) urging the establishment of Rent Courts to deal with house-rents and against any imprisonment for industrial or political activities.

Amongst the extremist or Socialist proposals that were buried by reference to the Executive, was the proposal to assist in organizing a Workmen's and Soldiers' Council (Soviet) while the desire of the Russian Workers' Association, with 20 branches and an alleged Canadian membership of 10,000, to be heard was refused. Moderation was the watchword of the Congress, though a number of immoderate speeches were made. John Kavanagh, a Vancouver Socialist, objected to the message of greeting sent to Canadian forces in France; V. R. Midgley of the same City described local threats of a general strike as very effective in obtaining the demands of workers; Joseph Naylor of Victoria urged workmen not to invest in Victory Bonds; J. C. Cassidy of Montreal declared that War bonds would only serve to make fortunes for the capitalists while Michael Boulay of the same city described patriotism as "gush" and said the reason he did not enlist was that he did not want to. A fight as to the Presidency was in the air when the Con-

vention opened and Mr. Watters, who for seven years had presided over the Congress, with James Simpson as Vice-President, were the targets of the moderates. Both officials were defeated and Thomas Moore of Niagara Falls was elected President with Arthur Martel of Montreal, Robert Baxter of Glace Bay and David Rees of Vancouver as Vice-Presidents; P. M. Draper was re-elected Secretary-Treasurer while J. C. Watters was appointed Delegate to the British Trades Union Congress and M. J. Walsh to the American Federation of Labour. R. B. Russell, of the Winnipeg Metal Trades and other Western delegates complained bitterly as to the treatment of extremist Western Resolutions, and declared in interviews that a distinct division of opinion existed between the Labour of East and West. As a matter of fact efforts made by Western men to secure endorsement for re-organization of workers in Canada along industrial lines (I.W.W.) instead of upon craft lines were defeated while other motions sent from the Winnipeg Council had urged, unsuccessfully, that the change was necessary because the capitalist class could defeat the separate trades through the necessity of obtaining sanction from their Internationals before they could strike.

As to other organizations there was much 1918 activity in the Provincial Councils and in Labour Party organizations which grew out of them. The Trades and Labour Councils of Vancouver and Victoria, and the associated B. C. Federation of Labour were largely controlled by the extreme Socialist wing. The latter element in that Province had about 12,000 supporters and its leader was J. H. Hawthornthwaite, M.L.A., who had to acknowledge his past association with Alvo Von Alvensleben, the notorious German leader on the Pacific Coast, and his possession of a power-of-attorney from Count Bodo, the brother of the interned champion of the Kaiser. The Federation of Labour was organized at Vancouver on Feb. 2nd with G. J. Kelly as President and a Committee which included J. H. Hawthornthwaite, R. P. Pettipiece, A. S. Wells, E. T. Kingsley, W. R. Trotter, J. H. McVety and others—mostly extreme Socialist in opinion and with the announced object of Labour ownership and operation of industries. On Mch. 26 it presented to the Provincial Government a lengthy docket of proposals including Proportional Representation, Minimum Wage legislation of $3.50 per day for all adult industrial workers, a week of 44 hours, Mothers' Pensions and the free right of entry for Union officials to Company property for all purposes of organization and propaganda; Mr. Hawthornthwaite stated at the opening meeting of the Federation in Vancouver (Feb. 23) that its policy was based upon the British Independent Labour Party of Kier Hardie and Ramsay MacDonald and declared that at the end of the War the workers would abolish all Capital while Mr. Kingsley stated that the Bolsheviki of Russia had made "a noble beginning"; a tour of the Province followed on behalf of the new Party by its chief Socialist leaders and the formation of branches was announced at Nanaimo, Victoria, Ladysmith, Prince Rupert, New Westminster,

Hedley, Rossland, Revelstoke, Nelson, etc. There was, meanwhile, much calling of strikes and unsparing denunciation of the authorities by local Labour and Socialist leaders for the accidental shooting of Albert Goodwin—an evader of Conscription and an active Labour man—by a Dominion Police officer in the wilds of the Cumberland district. A riot followed in Vancouver on Aug. 2nd, when Midgley, Thomas and other Labour men were more or less injured by crowds of returned soldiers who resented certain wild and disloyal utterances made about Goodwin—Midgley, in particular, being forced to kiss a Union Jack.

The campaign of the new Party was openly Bolshevist—with extreme Marxian Socialism as the text and the enforced transfer of capital, property and means of production from the present owners to the workmen, as the basic policy. Its official platform was more moderate but went the full length of ordinary Socialism with the special wealth of British Columbia under consideration as follows: (1) Provincial ownership and control of Fisheries and discontinuance of all licenses and vested rights; (2) Government ownership and control of the coal mines and cancellation of all special rights and privileges; (3) Government ownership of all lands and of the Timber wealth of the Province. What there was in the Province worth having was to be taken without compensation; the other matter of handing it all over to the workmen was not mentioned—except in a succession of speeches! Other incidents of the year included an address by Sir John Willison to the Canadian Club, at Vancouver on Sept. 23rd which put the non-Socialist view in a moderate and able way with emphasis on the Rockefeller platform and the Hanna policy in the Imperial Oil Co. which are referred to elsewhere; the Resolution of the New Westminster Trades and Labour Council on Apr. 10th in favour of $4.00 per day Minimum Wage to all Government employees; the withdrawal of John Day, a pioneer Labour leader in Victoria from the organized movement (Apr. 14th) as a protest against the progress of Socialism; the special appeal by the Socialists to the thousands of returned soldiers by Resolution and speech on the basis stated by Mr. Hawthornthwaite on June 19th that "these men belong to us"; the Resolution of the Vancouver Labour Council on Nov. 21st, denouncing the Government for prohibiting the import of Marxian and other Socialist books, etc., from the United States.

The most interesting Labour development in Ontario was the formation on Mch. 29th, of a Provincial branch of the Canadian Labour Party with the inclusion in its ranks, so far as they could be obtained, of Trades Unions, Socialists, Co-operative Labour, Fabian and Farmers' organizations. H. J. Halford of Hamilton, was elected chairman of the meeting and addresses were given by a delegate from the Independent (Socialist and Pacifist) Labour Party of England, W. C. Good of the United Farmers of Ontario and others. Mr. Good pointed out that farmers were often Capitalists as well as workers; others declared that they were forming a working-class party as distinct from all the rest. An effort was

made to have the Socialist platform included in their policy—a declaration recognizing the class-struggle and aiming at "the abolition of the capitalist system and the establishment of a Socialist Commonwealth"—but it was defeated by 129 to 60. The objects of the new Party were then approved as follows: (*a*) To organize and maintain in Parliament, Provincial and Federal, a political Labour party; (*b*) to co-operate with kindred organizations in joint political or other action; (*c*) to secure for the producers, by hand or by brain, the full fruits of their industry, and the most equitable distribution thereof; (*d*) generally to promote the political, social and economic emancipation of the people. A Special Committee was appointed to organize the Party and this included Mr. Halford and James Simpson of Toronto. Meantime there were other organizations working along local lines—the Trades and Labour Council, of course, and a Greater Toronto Labour Party which changed its name to that of the Independent Labour Party (of which there were other branches in Ontario) with J. H. Ballantyne as President and J. T. Gunn, Vice-President. This organization had a Reconstruction policy which included the following items:

1. The development of a proper system of Labour exchanges and the adoption of Proportional Representation.
2. The establishment of Trade Boards, similar to those of Great Britain, to regulate unorganized male and female industries.
3. The establishment of Industrial Councils on a basis of equal representation for workers and employers.
4. The establishment of Rural Credit Banks to assist agriculture and co-operative selling associations.
5. The conservation of natural resources: by (*a*) the refusal to grant further concessions to foreign interests, and (*b*) to develop the resources of the country under Provincial control and ownership.
6. To tax all Aliens and enemy aliens very heavily; immigration after the War to be of friendly Aliens only for a definite period.
7. To make all the provisions of the Ontario School Act compulsory for all children under 15; pay more attention to the rudiments of education; give teachers a decent salary such as would attract a high type of teacher; provide educational facilities for all boys and girls from 15 to 18 at the expense of industry and to comprise a period of not less than ten hours a week and not more than thirty hours a week.

It was upon this platform that Wm. Varley unsuccessfully contested a Toronto seat against Hon. H. J. Cody, Minister of Education. On Aug. 15th its leaders—James Richards, Messrs. Gunn and Varley—issued a statement of general principles which was moderate and constructive and of which an extract follows: "The Party believes that human beings are endowed with certain fundamental rights, among which are the right to a decent human life and the right to found a home, and they affirm that the time is past when men, women or children should be compelled to spend their lives without a decent minimum of food, shelter, clothing and culture, or to work under conditions that are dehumanizing, brutal and degrading; that by the introduction of ethical ideals into industry, by recognizing that employers and employees are partners in the joint service of the community, the affairs of the community can

be so ordered and regulated as to provide every human being with a normal happy life." Another organization was the Labour Educational Association of which J. F. Marsh, Niagara Falls, was the 1918 President; its chief function was the bringing of abuses and proposed reforms before the public and the Government. There was also a Socialist organization in Toronto, called the Labour Party of Canada, which on Dec. 15th, passed a number of Resolutions such as demanding that all troops withdraw from Russia, sending greetings to the revolutionaries of Germany and the Soviet Government of Russia, urging the release of all political prisoners in Canada, the abolition of Military training or teaching of "Military history" in the schools. The President was Joseph Metivier and a membership of 16,000 organized workers was claimed.

This and other similar bodies, including the Social Democratic Federation, attended a public meeting (Dec. 15th) addressed by Louis Waldman of New York—apparently a German—who declared that capitalistic government must soon be replaced by that of Russia and Germany and demanded a Peace Conference in which Liebknecht should represent Germany, Ramsay MacDonald Great Britain and Lenine, Russia! There was a continuous struggle in the regular Labour organizations during the year as between Moderates and Socialists but the former won out. A word must be said here as to James Simpson who wielded some influence in the local organizations. He was Editor of the *Industrial Banner,* a long-time journalistic contributer to the Toronto *Star* and credited with Socialistic influence over its columns. For his Socialism he was defeated as a City Comptroller in Toronto and as Vice-President of the Labour Congress; yet he was Canadian delegate in January to a British Trades Union Congress and, later on, a Prohibition lecturer, with Labour credentials, in New Zealand. In England he was in touch with Ramsay MacDonald and the Pacifists and wrote some articles to Canada criticizing the moderate Labour leaders and patriotic men such as Havelock Wilson, declaring that Lloyd George's influence was declining and denouncing British conditions in most pessimistic strain. He was said to have addressed 230 meetings and, being a good speaker, represented Canadian Labour, whether it approved of his Socialist views or not. At the end of the year, however, most of the leaders of his school of thought were beaten in the Elections and Lloyd George had won the greatest victory in history.

Manitoba Labour was largely led during this year by men with the views of Alderman Queen, who said on Aug. 2nd that: "I have never told a man he should put on the uniform and never will." James Winning was President of the Trades and Labour Council and Ernest Robinson, Secretary, and both were active in all the strikes of the period together with J. G. Soltis, B. R. Bennett, R. J. Johns, H. G. Veitch; the Winnipeg *Voice,* for 25 years the organ of local Unionism, closed its doors on July 29th and was replaced by the *Western Labour News.* So obviously did Labour organizations in Winnipeg get into Socialist hands during the year

that R. A. Rigg, M.L.A., for 6 years Secretary of the Labour Council, retired in January, a little later enlisted, saw active service and was promoted to the rank of Corporal. On Sept. 27th a letter was published in Winnipeg written by J. V. Johnston, ex-President of the Labour Council, and also a soldier, in which he denounced current strikes, described the War issue, and declared that all strikers at this time had German sympathy.

As to the rest of the country the Quebec Branch of the Labour Party held its Convention at Montreal on Dec. 15th with 175 delegates present who claimed to represent 16,000 workers and passed a Resolution against sending Canadian troops to Siberia, cabled greetings to the Russian Soviet and German revolutionaries and heard Louis Waldman of New York give a pro-German, Socialist address and declare that if liberty of free speech and propaganda were not given to the Social-Democrats every wheel of industry in Canada would be stopped. The small and very largely Quebec organization called the Canadian Federation of Labour met at Toronto on Sept. 3-6. It was opposed to international labour unions and was anti-Socialistic; its President, C. G. Pepper, urged arbitration and conciliation as the essential Labour policy, supported municipal control of public utilities and asked for Government control of prices in such products as flour and sugar. Resolutions were passed in favour of an 8-hour day, the internment of all Alien enemies, with the alternative of working at $1.10 per day, legislation enforcing weekly pay in all factories and work-shops.

The Halifax Trades and Labour Council objected strongly (Apr. 1st) to the Provincial bill incorporating the Halifax Relief Commission with power to fix wages, to various clauses in the Workmen's Compensation Act and to the introduction of Coolie labour into ships or mines; the New Brunswick Federation of Labour (Mch. 12-14) re-elected J. L. Sugrue President and passed Resolutions demanding woman's suffrage, Labour representation in all Provincial, Municipal and Civic governing bodies, an Independent Commission to handle matters relating to Labour and permission for the manufacture and sale of beer with 2½ per cent. of alcohol; the Regina Labour Council on May 28th approved of Manpower Registration as the only alternative to importing Asiatics and the Trades and Labour Council of Saskatchewan (Dec. 13th) asked for free dental and medical service in the schools, free text books and supplies, public work to provide employment during demobilization; compulsory payment of wages in currency, minimum wages for women workers, free hospitals and a compulsory weekly half holiday for all employees. In Calgary and Edmonton the Federal Union Workers were organized with a membership open to all classes of labour, with no sex restriction but with, chiefly, unskilled labourers in its ranks and R. M. Gosden as organizer.

The question of admitting Chinese, Asiatic, or special Coolie labour for War purposes or to help in the great shortage of workers was one of importance and controversy during the year. Farm-

ers, Munitions, railways, households, fisheries and factories, ships and similar industries, all wanted Asiatics or could have utilized them to a large degree; Pacific Coast farmers appealed for Chinese help and pointed out the impossibility of development without such aid and the uselessness of expecting coast-workmen to accept the long hours and moderate pay of a farm; women all over the country craved Chinese help in their homes to take the place of the one-time domestic; the Canadian Railway Board, at a juncture when 20,000 labourers were required to remove about 2,000 miles of rails for War reasons, petitioned the Government for permission to retain a number of Coolies passing through to England and France; there was a strong movement for importation in order to help in food production and the Fruit Growers of British Columbia voted by a large majority at Victoria (Jan. 17th) for a system of indenture under Government inspection; the Directors of the Montreal Builders' Exchange urged the Government (Feb. 7th) to permit importation of Asiatic labour under defined restrictions for production of food, for the Mines, and for transportation purposes.

Rumours were rife that Chinese, Japanese and Sikhs were arriving on the Pacific Coast by thousands during the year with a total of 35,000 such people in the Province; the head-tax of $500 was easily paid by syndicates which brought over the labourers and exacted profitable terms for the loan; any exclusion of Japanese raised an issue which would have been most inconvenient to the British authorities at this juncture. At the same time these Orientals, and the Chinese in particular, were proving invaluable in many directions, in the market gardens of cities such as Calgary, in laundries everywhere, in domestic service. But organized Labour was vehement in its protests and attitude. The Toronto Labour Party sent a delegation to Ottawa, the British Imperial Association of Earlscourt (Toronto) protested vigorously, as did the Trades and Labour Councils of Victoria, Vancouver and Winnipeg, the United Farmers' Association of Alberta, the Great War Veterans of Toronto, the Saskatchewan Brotherhood of Locomotive Engineers, several Boards of Trade, the Trades and Labour Congress of Canada and Labour or Socialist organizations everywhere. The Toronto *Globe* declared (Jan. 15th) that any general importation of such labour was "objectionable from every point of view"; nothing official was done in the matter though a certain increase in such immigration was a fact.

CANADIANS AT THE FRONT

Canadian Forces in England; Administration and War-Work.

The activities of the Canadian Army administration during the years of War did not begin in Canada and end in France; there was an interval during which the troops stayed in England for training or as reserves; there was a system under which the Acting High Commissioner and then the Overseas Minister of Military Forces looked after the wide and varied interests of an Army increasing from 100,000 to 400,000 men; there was the gradual evolution of an Overseas Council, of a complete Executive under the Minister, of a system of co-ordination in work amongst the many branches of the non-combatant as well as fighting forces; there was, in 1918, a completed plan of Canadian Government control over the soldiers in France—outside of actual military operations and discipline which, of course, were in charge of the British Commander-in-Chief.

There was, also, the ever-delicate task of maintaining intimate relations between the diplomatic, civilian, and Imperial functions of the High Commissioner and the military, administrative duties of the Overseas Minister and the Canadian General Staff—between the officers of the Department, the General Staff, the officials of the War Office in London and those of the British Army in France; there was the difficult task of controlling and making Army appointments in France and administrative appointments in England, of adjusting reinforcements, strengthening, weakening or keeping Battalions at full war-strength in England, or sending them, in part or in whole, to France, of co-ordinating the activities and work of the various Services—Infantry, Cavalry, Artillery, Forestry, etc.; there were, also, the co-ordination of civilian and voluntary effort in England, the administration of Hospitals and Red Cross, the recommendations for promotion and Honours or at least the approval of those made by the Army Commanders. During 1918 Sir George H. Perley remained High Commissioner for Canada; Sir Edward Kemp was Minister of the Overseas Military Forces of Canada. The other chief officials were as follows:

Position.	Official.
Deputy Minister	Colonel G. F. Harrington.
Assistant Deputy Minister	Lieut.-Col. Thomas Gibson, D.S.O.
Chief of the General Staff	Lieut.-Gen. Sir R. E. W. Turner, V.C., K.C.B., K.C.M.G., D.S.O.
Adjutant-General	Maj.-Gen. P. E. Thacker, C.B., C.M.G.
Quartermaster-General	Brig.-Gen. D. M. Hogarth, C.M.G., D.S.O.
Accountant-General	Colonel W. R. Ward, C.B.E.
Director-General of Medical Services	Maj.-Gen. G. L. Foster, C.B.
Paymaster-General	Brig.-Gen. J. G. Ross, C.M.G.
Director of Supplies	Colonel T. A. Simson, C.M.G., D.S.O.

Canadian Headquarters at Argyll House. Around this institution in London centered much of the life of the Canadian Army, from it came the regulations and policy which controlled its ordinary affairs. Inevitably, also, every complaint or trouble, whether of individuals, or battalions, or corps, every bit of discontent or degree of discomfort centered here. Criticism was unavoidable and, after the War, Argyll House would naturally suffer for every sin of omission or commission, every incident, or accident, or fault which had to be laid upon someone, every bit of dissatisfaction over discipline or promotion or honours, and some, at least, of the many minor ills of service in so vast a struggle. It took years to get the organization into shape, to obtain the experience necessary, to learn how to deal with countless new conditions and complexities. Some of the officials, besides those specified above with, also, important posts were Major L. P. Sherwood, Lieut.-Col. C. M. Edwards, D.S.O., Lieut.-Col. H. G. Mayes, M.B.E., Colonel K. C. Folger, D.S.O., Lieut.-Colonels E. C. Duffin, O.B.E., S. M. Bosworth, C. M. Ruttan, D.S.O., E. W. Pope, G. H. Cassels, G. S. Robertson and Colonels F. S. Morrison, D.S.O., A. L. Hamilton, C.M.G., R. M. Dennistown, C.B.E., Major E. F. Montague. Brig.-Gen. H. S. Beckett, C.M.G., was Deputy Director of Medical Services and Maj.-Gen. A. McDougall, C.B., Brig.-Gen. B. R. Hepburn, C.M.G., and Colonel G. V. White, C.B.E., were in charge of Timber operations and Forestry work in England and France. As to the Staff of Argyll House—including the General Staff and those of the Adjutant, Quartermaster and Military Secretary, the total on Dec. 1st, 1916, was 134 officers and 566 of other ranks; by Apr. 30th, 1917, these numbers had been reduced to 123 and 490 and, on Nov. 11th, 1918, they totalled 61 and 319 respectively. To illustrate the work of this institution it may be said that between Jan. 1st, 1918, and the Armistice the following changes in Army *personnel* at the Front were made* with the organization work proceeding in England:

1. Organization of two Corps Tramway Companies and of three Forestry Hospitals with 621 officers and men.
2. Re-organization of Canadian Engineers, involving an increase of 3,985 *personnel.*
3. Re-organization of Machine Gun Companies into Machine Gun Battalions, involving increase of 1,108 officers and men.
4. Formation of one additional Company for each of the four Machine Gun Battalions and necessary increase of Battalion Headquarters—2,033 *personnel.*
5. Organization Canadian Corps Survey Section and of two Sections Divisional M. T. Company for 5th Canadian Divisional Artillery.
6. Re-organization 1st, and creation of 2nd, Motor Machine Gun Brigades involving an increase of 270 personnel.
7. Organization No. 9 Employment Company; H.Q. Corps M.T. Column with total personnel of 443 and increase of 100 men in each Infantry Battalion of 4,800 altogether.
8. Organization Canadian Corps Veterinary Evacuation Station; Nos. 1 and 2 Forestry Companies; Anti-Aircraft Searchlight Company; Marne Group H.Q., C.F.C. with a personnel of 570.

*Note. Speech by Sir Edward Kemp in Canadian Commons, May 27, 1919.

The total officers and men involved in these adjustments was 14,070. Meantime there were always a large number of Canadian troops in England for purposes of relief, or emergency, or training. Early in this year there were 105,000 men in the British Isles with 18,000 *en route*; of those in the country 50,000 men were estimated as immediately ready for re-enforcements and 15,267 were casualties in hospital. Taking the years of war as a whole the following troops (officers and men) were stationed in England, on Dec. 31st of each year and including Infantry, Artillery, Cavalry, Engineers and other Services: 1914, 30,242; 1915, 39,608; 1916, 131,029; 1917, 110,217; 1918, 105,376. Between Jan. 1st and Nov. 11th, 1918, 76,557 officers and men arrived in England from Canada and 81,572 others despatched to France after undergoing various degrees of training. Of these totals, 47,827 and 51,649, respectively, were Infantry.

This year was one of great activity in administration as well as in Military effort and a number of changes were made, including a practical re-organization of Canadian Headquarters in London and its work. By an Order-in-Council of Apr. 11th, an Overseas Military Council was formally created with the Minister and his Deputy, the Chief of Staff, the Adjutant and Quartermaster and Accountant-Generals as members. In France, after much discussion and careful consideration, a Canadian Section was arranged at British Headquarters with specific authority over the various Canadian administrative services and departments in the Field. It was empowered to check the carrying out of such Executive action as might be decided upon from time to time in respect to the *personnel* of the Forces; it had similar supervision over the widely-scattered subsidiary Canadian organizations distributed throughout France and Belgium; it was divided into branches of operation which included representatives of the Adjutant-General, Quartermaster-General, Military Secretary, Medical and Chaplain Services and Pay Corps; its Headquarters at Montreuil were under command of Brig.-Gen. J. F. L. Embury, C.M.G. In England another change was the re-organization of the purchase of supplies which was assumed by an Overseas Purchasing Committee with control over all contracts in reference to equipment, transportation, munitions, clothing, arms, etc. A Canadian Bureau of Aeronautical Information was also established and a Canadian Air Force planned but not completed when the Armistice came; Segregation Camps were organized and the quarantine for disease was rendered effective; an Allocation Board was constituted to help in placing men where they could do the best service and a systematic exchange of officers between England and France arranged so as to keep training conditions well up to the mark; the Khaki University was developed and became an institution of large proportions.

The duties of the General Staff in England under General Turner included control of the Segregation Camps, and of the training of Infantry, Artillery, Machine-gunners, Engineers, Medical

Corps; control of the training of Instructors and officers in Musketry and trench warfare together with Intelligence courses and Athletics for the troops; supply of small Contingents for Siberia and Archangel totalling 604 officers and men together with volunteer parties in Mesopotamia and Palestine—42 officers and men in the former case and a Company of expert bridge-builders (250) in the latter case who were sent at request of General Allenby; supply of 50 non-commissioned officers who were furnished on request to help in training the American army in the Field; organization of a Canadian Young Soldiers' Battalion at Bramshott composed of Canadian boys under 18 who were then in England, and who, on reaching military age, with suitable training, were drafted into the Army to a final total of 568 soldiers.

The Adjutant-General's Branch had charge of organization, establishments, mobilization and demobilization, re-inforcements, casualties and invaliding, Discipline, personal services and conditions and records, care of soldiers' graves. The Canadian Camps in the last year of the War included Seaford, Witley, Bramshott, Borden, Purfleet and Sunningdale; the last three were for Cavalry and Artillery, Railway troops, Forestry, respectively, while Engineers were located at Seaford with the Infantry. During 1918 this Department organized 487 officers and 18,501 of other ranks into Units and sent them to France—as apart from Infantry re-inforcements. The Quartermaster's Branch controlled the Army Service Corps, the Ordnance, the Inspection Department, ocean and rail transport, Postal, Veterinary and Salvage Corps, Engineer Services, War Trophies, postage, typing and stationery services. The Canadian Army Service Corps had charge of supplies and transport, the feeding of troops in England and the large business of Tobacco supplies. The duties of the Canadian Army Pay Corps, under the Paymaster-General, were most important. It had charge of the paying of all debts incurred by the Canadian Government with contractors or with the Imperial and other Dominion Governments; the making of all payments to the troops and their dependents; the adjustment of reciprocal accounts with the Imperial and other Governments. There were hundreds of thousands of accounts kept at the Offices in London and the work of adjustments in claims and payments was immense.

Of the C.A.M.C. or Canadian Army Medical Corps, much might be written; as to a period of its organization in 1916, much has already been written of a controversial character by Lieut.-Col. H. A. Bruce, M.D., and those who disagreed with his Report and its conclusions. By the beginning of 1918 the organized efficiency of the Corps in England was unquestioned; the patriotic character and arduous duties and splendid work of its members at the Front had always been conspicuous. Among its organized Units were 10 General Hospitals, 8 Special Hospitals, 6 Convalescent Hospitals—including the *Llandovery Castle*, afterwards sunk by the enemy, 2 Laboratories, 4 Sanitary Sections, 7 Administrative Units and 4

other sundry Units. There was also a Nursing Section of essential value and effectiveness. The re-organization of the Medical Board in 1917 and the later classification of troops according to Medical fitness were important developments and in 1918 there was an average of 6,000 Boards per month with 14,000 troops reviewed and medically classified. Amongst the improvements and incidents of 1918 under General G. L. Foster's control were the following:

1. Organization of a School of Massage and Swedish remedial drill.
2. The re-organization of the Medical Service for troops and civilians returning to Canada.
3. The construction of a complete scheme for Hospitalization of Canadian officers and nursing sisters.
4. The establishment of comprehensive machinery for dealing with patients invalided to Canada for further treatment—with 9,000 thus returned in 1917 and 13,481 in 1918.
5. The organization of a system for training C.A.M.C. officers and men with refresher courses for drafted re-inforcements to the Front.
6. Establishment of the Laboratory service on an economical and efficient basis with 22 Hospital laboratories formed.
7. Foundation of a system of central Medical stores with control over distribution of all Medical supplies and equipment.
8. Re-organization of the Sanitary service with most effective measures for prevention and control of infectious diseases and the establishment of machinery for segregation and control of patients.
9. Improved system for organization of Medical units on uniform lines under expert advise and with economy in *personnel*.

In this connection it may be added that on Nov. 30th, 1918* there was a *personnel* of the C.A.M.C. in England which included 770 medical officers, 1,094 nursing sisters and 6,512 other ranks. The total capacity of Canadian Hospitals in England at this date was 21,087 beds compared with 13,283 on June 1st, 1917, 7,160 in 1916 and 1,394 in 1915. The Canadian Army Dental Corps was a most effective branch of the Service from the time of its organization in 1915; its Director in England was Col. J. A. Armstrong, C.M.G., with clinics at the various training centres, Depôts, Hospitals, etc.; its Department of Oral Pathology dealt effectively with the infectious "trench mouth" disease which, at one time held 10,000 British soldiers in its grip. In the Chaplain Service, organization really began in 1915 and, in March, 1917 an establishment was authorized with 102 Church of England chaplains, 53 Roman Catholics, 58 Presbyterians, 33 Methodists, 14 Baptists and 20 of sundry designations with Colonel the Rev. Dr. J. M. Almond, C.M.G., as Director. There was a staff in England whose members also visited Canadian patients in Imperial Hospitals at London, Manchester, Liverpool, Birmingham, Edinburgh, etc.; on Nov. 11th, 1918, 118 of them were stationed at various training or hospital points.

A word must be said as to the work of the Canadian Record Office under Col. A. Lorne Hamilton, C.M.G., as Director. Its duties included the collection, custody, verification and distribution of

*Note. These and other statistics are compiled from the Official Reports or Addresses of the Minister of Overseas Forces.

soldiers' documents; the reporting of casualties and tracing movements of wounded men while in hospital; the compilation of daily Lists of casualties and notification of next-of-kin with inquiries as to missing men; maintenance of a complete record of all Honours and Awards to Canadians and the custody and distribution of medals and war badges and King's certificates to discharged officers and men; the compilation of all kinds of statistics, re-direction of 2,250,618 letters in the War-period and checking proceedings of Medical Boards, etc. The Canadian Postal Corps was another effective organization with a record, in 1918 alone, of 68,174,000 letters handled in London, sent to France and distributed by the Corps services there; 10,226,100 newspapers, 5,332,670 parcels and 433,600 registered letters and packages were also distributed. The workings of all these and other departments of the War service in England were complicated, the growth of efficiency and unity was gradual, the complete co-ordination of policy and action was a matter of development—as Sir Sam Hughes' criticisms and troubles in 1915-16 showed.

Aside from some characteristic actions and utterances of this Minister, there was surprisingly little friction between the War Office and the Canadian Administrative system in England or France; it was all so new and complicated, the Canadian officials were so inexperienced in this work and the British officials so assured of their own ground, that the degree of harmony realized was striking. Much was done in conference and it was only by amicable intercourse of this nature that the difficult question of Canadian control over its Overseas forces could be combined with efficient military action and Imperial organization. As it was, there seems to have been a degree of civilian intervention in the control of the Forces and Sir Edward Kemp afterwards stated that early in 1918 he had declined to reduce the number of brigades in a Division to harmonize with British action at a time when the numbers of British troops were greatly reduced; that in respect to keeping the Canadian Corps together he had himself made representations to Sir Douglas Haig, and even Marshal Foch, when re-inforcements were wanted which did not include a whole Army Corps.

Meantime Argyll House, the Canadian Headquarters, had been a somewhat assertive quantity. It was a little Canadian War Office established in London, and, as already indicated, it did much good work; no doubt it was arbitrary at times as all military institutions are; no doubt, also, it was without the authority at times, or the desire at others, to explain things to the aggrieved person—whether he was a General or private, a visitor or civilian war-worker. Every charge of "slackness" amongst the fit men employed at Headquarters, every allegation that an officer was a martinet or unpopular, every statement of personal or political "pull" in promotion, were made to reflect upon Argyll House. There was no doubt that excellent results in administration were produced; many alleged that it was at an extreme cost and perhaps, in earlier

days of inexperience, this was a fact. Amongst specific allegations made were the following which are given here, not as having been sustained, but as indicating the bases for any discontent which did exist and which found expression in succeeding years:

1. System of breaking up Battalions with alleged discrimination against Western units.
2. Ignoring of military efficiency and qualifications in appointments and promotions.
3. Awarding of safe Staff and other jobs in England, and back of the lines in France, to those who had no experience of front line service.
4. Awarding of decorations, ostensibly for valour in the field to officers who had remained in England or to non-combatant officers in France.
5. Discrimination against regimental officers in favour of staff officers in distribution of Honours.
6. The employment in large numbers of officers in England on Boards, Commissions, etc.
7. Over-manning of Staffs in Forestry and Medical Corps, and lack of co-ordination and accurate control of accounts.

Obviously these things were personal and technical so far as Headquarters' action was concerned; so with loose allegations as to disbursement of funds in broken-up regiments or the large expenditures for buildings, contracts and supplies. There was a re-organization effected early in 1918 with the chief officials appointed to a Military Council as already given; General Turner became Chief-of-Staff instead of General Officer Commanding in England, and the Overseas Minister, as Chairman of the new Council, took all the reins of power into his own hands; the policy was to be greater co-ordination in administration and uniformity in practice. These changes and the succeeding arrangements in France gave Sir Edward Kemp almost absolute authority over Canadian troops—outside of strict military operations on the Field. They also served to still further relieve Sir George Perley of his war responsibilities and to leave him in control, only, of the Peace side of Canada's relations with the Motherland.

During this year Sir Edward Kemp was much before the public in England and, as Overseas Minister for Canada's troops, was in constant conference with the Imperial authorities, the War Cabinet, the War Conference delegates and visiting Canadian Ministers; a frequent visitor at Canadian Camps and Hospitals and in France, a speaker for Canada at many functions. After an official visit to the Front the new Minister made his first public speech at a Canada Club dinner tendered him in London on Jan. 23rd, at which Sir George Perley presided and Lord Derby, Rt. Hon. W. H. Long and Winston Churchill, also spoke. Sir Edward in his speech paid high tribute to what Britain had done in the War: "If, at the beginning, what has been done up to the present time could have been foreseen, anyone would have said that it was impossible of accomplishment. It is simply marvellous!" In May he was at the Front again and visited Canadians at Neuville-Vitasse, Mercatel and other points south of the Scarpe and Arras; in August he was there once more and so with other visits during the months of victory. One of

the subjects in which he was especially interested was the condition of the graves of Canadian soldiers; there were at the close of the War 555,000 British Empire men buried in France and Belgium with an Imperial War Graves Commission of which Sir George Perley was the Canadian member and the Prince of Wales Chairman. This body decided to place on all Canadian graves in battle areas a special Canadian inscription with a separate Battalion crest or motto, in addition to the uniform design agreed upon for headstones over the graves of all soldiers of the King—home or overseas. As to other details the graves of United Kingdom soldiers numbered 452,730, those of Canada 43,631, Australia 35,131, New Zealand, 11,393, South Africa 4,985, Newfoundland 888, India 5,665 and the West Indies 956. Of these, 160,000 were isolated but, after the Armistice, the bodies, including those of Canadians, were very largely exhumed and placed in regularized cemetaries with careful markings.

The Khaki University of Canada. This institution originated in 1917 amongst certain Y.M.C.A. officials, whose Executive in France asked for a Canadian educationist to be sent over to look into the project; President H. M. Tory, of the University of Alberta spent the summer of that year in England and France, and attended a Conference of Army officers and Y.M.C.A. representatives; the idea of interesting soldiers in their spare time—in camp, in reserve, at rest intervals, on the active Front and elsewhere—in some form of study was actively taken up with Government support, the co-operation of Canadian Universities, the financial aid of the Y.M.C.A. The idea was not original except in the University form, because, in the British Army, educational work had long been under way with 60 subjects of instruction and a vast number of students. A Committee of the Canadian General Staff in England was formed with other interests represented, the University of Vimy Ridge was started under the auspices of the 3rd Division in France and continued by it until the German offensive of 1918 compelled cessation. Meanwhile, lesser Khaki Colleges were started in England, and 14 of them were in operation during 1918—Basingstoke, Epsom, Bexhill, Etchinghill, Bearwood Park, Seaford, Borden, Shorncliffe, Bramshott, Sunningdale, Witley, Buxton, Cooden, London. Schools in connection with each Battalion were developed for elementary educational work—both in England and France—while a correspondence system, with libraries and reading-rooms, further aided the system.

During the summer of 1918 steps were taken by the Overseas Minister to organize the institution in England upon a more permanent basis and, on Sept. 19th, the Khaki University of Canada was established with control over the whole system and with Government backing for funds. After the Armistice the Battalion schools were continued with elementary instruction in Agriculture and Commercial subjects and special books prepared under the auspices of the University; the Courses in the latter institution were

re-arranged with matriculation work and 1st and 2nd year work in Arts, Science, Theology, etc., held at a Central College at Ripon and the higher branches of Agriculture, Applied Science, Commerce, etc., continued as before; arrangements were made to draft 850 of the more advanced pupils to Ripon while about 300 others were distributed amongst various British Universities with military allowances to June 1919. The total registrations at the end of December were 10,676. In France, meanwhile, the registrations in December, despite demobilization, ran to about 2,000 to each Division with a total of 8,352. Work was carried on in the Hospitals while Extension lectures were, also, given and the total of all registered students from July to December, 1918, was 34,768. By the end of the year over 100,000 books and 750,000 booklets and pamphlets from Canada had been distributed. Over 100 Libraries were established, and hundreds of lectures given in Y.M.C.A. Huts with an estimated attendance of 231,000.

The teaching staffs of the University were largely recruited from the ranks of the Army—including Professors or graduates and covering classics, history, modern languages, literature, languages, and mathematics as well as the more practical subjects already mentioned. Business efficiency and Civics were also taught and the Universities had a Chancellor, President, and all the official elements familiar to students in their Canadian homes. The ideal of an Army of Civilians fighting the enemy and preparing at the same time for its return to civilian life proved a real product of Democracy. At Vimy Ridge, Capt. the Rev. E. H. Oliver, D.D., was President and, in London, the Headquarters institution had the Rev. Dr. H. M. Tory as President, Maj.-Gen. Garnet Hughes, one of the most active supporters of the movement in England, as Chancellor; Capt. the Rev. Clarence McKinnon, D.D., one of the most efficient lecturers, became, toward the close of the year, an Assistant Director, as did Dr. Oliver, with Dean F. D. Adams of McGill, as Deputy to Dr. Tory. The Advisory Committee in Canada included representatives of all the Universities and the Y.M.C.A., with Sir R. A. Falconer as Chairman. There was also a Department of Home Economics in London with cookery, and laundry courses and free evening classes in other subjects, which were aided by the London County Council. The general object of the University centres in London and at Vimy Ridge, of the Battalion work of the small study groups, reading groups and popular lectures, was as follows: (1) promoting a better understanding of the war problems in the Army itself, thus assisting and stimulating the interests of the men in the prosecution of the War, and (2) creating an atmosphere of thought toward the problems of reconstruction and giving knowledge of such a character in relation to after-the-War-occupations as would have a definite value when the day came for resettlement in Canada. The whole system had, in the later part of 1918, become a military organization under the Minister's authority and it was most efficiently carried on.

The Canadian War Records Office. An institution that loomed larger as the War passed into history was this organization for preserving the records and story of Canada's share in the struggle. Started by Lord Beaverbrook—then Sir Max Aitken, M.P.—in March, 1916, under Canadian Government authority, the Office developed rapidly in importance with the collection and completion of historical data as the first consideration and publicity work as the second. The latter section consisted of (1) preparation and exhibitions of official photographs; (2) publication of *The Canadian Daily Record* of news for the troops, *Canada in Khaki,* and the *Canadian War Pictorial;* (3) the supply of information to inquirers and sundry publicity work. There was, also, a War Archives Survey in charge of Colonel (Dr.) A. G. Doughty, Dominion Archivist, and it included a "key" in 15 large volumes to all Canadian War action or work and activities Overseas. There were preliminaries too, in respect to an Imperial War Museum with a Canadian Section, to be established in London, and to include a special collection of War Trophies for Canada which, by the close of the year, involved shipments to Ottawa as follows: (1) articles presented by the British Government or that of France; (2) articles forwarded by the Canadian Forces or received through the Director of War Trophies. The total shipments included 239 machine guns, 32 field guns, 9 howitzers, 129 mortars and 356 miscellaneous articles.

As to Trophies in general, a despatch was sent by the Imperial Government to Ottawa, in July 1917, suggesting an arrangement whereby the National War Museum in London, designed to commemorate the efforts made by the whole Empire in the War, and which was to contain sections specifically devoted to the Dominions and Colonies, should be allowed to make the first selection of all war trophies, whether captured by British or Overseas troops. The idea of this arrangement was to have at the heart of the Empire a collection of trophies captured by troops from every part of the Empire which would be complete and thoroughly representative in its character. Trophies thus selected would be the property of the Dominion or Colony. Those war trophies captured by Overseas troops and not selected for housing in the various sections of the National War Museum would be handed over to the Dominion or Colony, whose troops captured them, for disposal at home by the respective Governments. The Dominion Government concurred in the proposal and Col. K. C. Folger, D.S.O., was appointed to represent it upon the Imperial Organizing Committee, of which Sir Alfred Mond was Chairman, while Dr. A. G. Doughty was to look after the actual Canadian allotments for shipment.

This arrangement was at first misunderstood in Canada, notably by the *Toronto Star,* which had hostile editorials on the subject in February and May. In a later statement to the Canadian Parliament Sir Edward Kemp noted* that the "Canadian Inspector of

*Note. May 27, 1919.

War Trophies has collected a large number of smaller articles of interest in a Canadian War Museum, and which have been taken from the battle-fields where the Canadians have fought. These consist of trench signs, buried machine guns, field telephones, searchlights, rifles, etc. A special allotment of 5,000 German rifles and bayonets has also been made to Canada as well as 5,000 empty brass shell cases of various sizes. A large assortment has also been obtained from the Ministry of Munitions, of Shells, Fuses, Grenades, etc., which will show the progress made in munitions, inventions, etc., during the War. These are also useful for instructional purposes. A varied collection of German proclamations, posters, propaganda literature, flags, German uniforms, decorations, etc., has also been collected."

Meantime work had been steadily progressing in the first and vital feature of the Records Office. Its Historical Section collected War diaries, which had been captured and preserved as throwing light upon war conditions, and handled the official memoranda of the various Battalions; issued from time to time new histories, stories, narratives of events, or records of specific Battalions at the Front; compiled records of Units, officers—such as Victoria Cross winners, etc.; established a reference library containing all kinds of Canadian War-works and camp publications and kept an official list of all Honours and Awards with statement of services; collected regimental badges and supervised the work of Canadian artists at the Front who were sent to preserve in paintings some of the greater historical events; took photographs of 500 officers and nursing sisters decorated by H.M. the King and interviewed Canadian Prisoners of war upon their return through escape or exchange. Other things which were preserved included all official Orders, documents, and photographs, maps of areas in which Canadians served, personal narratives by participants in incidents of the War, official Gazettes and newspaper clippings. A separate and special place was arranged by the Air Ministry at Sir Edward Kemp's request for records of Canadian aviators in the Imperial Air Force.

Lord Beaverbrook, as Officer-in-charge, reported for 1917, that into the system thus developed "the incoming tide of material from the Canadian Corps is fitted as molten metal is poured into a mould, and can as readily be extracted for the historian as the occasion requires; the material is carefully examined and sifted, and exposed to rigid criticism; the omission of vital documents is instantly detected, and the whole passed through a sieve." A special branch of this work was the Canadian War Memorial project under which 60 artists, largely chosen from Canada, were to paint pictures of notable persons, scenes, or events associated with Canada's part in the War while any profits derived from the sale of copies of photographs were to go into a Fund for a permanent War Memorial. Portraits of H.R.H. Princess Patricia, General Currie, Maj.-Gen. Lipsett, Mr. Bonar Law and Lady Drummond, with paintings of the First Landing of the Canadians in France, of the 2nd Battle of

Ypres and the Battles of Courcelette and Vimy, and of a Canadian Camp visited by the King, indicate the character of the work. Some of the British artists were Richard Jack, A.R.A., Sir William Orpen, A.R.A., D. Y. Cameron, A.R.A., R. Nevinson, Sir John Lavery, A.R.A.; some of the Canadians were Maurice Cullen, R.C.A., and C. W. Simpson, A.R.C.A., of Montreal, J. W. Beatty, R.C.A., and F. N. Varley of Toronto, Inglis Sheldon-Williams of Regina, Florence Carlyle, R.C.A., Lieut. A. Y. Jackson, Lieut. Alfred Bastien, Prof. G. Morin.

Intimately associated with this and all the other projects of the Records Office was the interesting personality of Lord Beaverbrook. He was a man of many parts and contrasts. Only 39 years of age at this time he had won his way early in the financial world of Montreal and within a few years ranked as a millionaire; he had gone to England in 1909 and within a year was elected to Parliament and soon became a knight and then a Baronet; in the overthrow of the Asquith Government he was the power behind the movement and was supposed to have stormed the diplomatic trenches in the struggle while Lord Northcliffe, with his papers, led the offensive; to the War and the Canadian side of affairs in Britain he devoted tremendous energy as Eye-Witness at the Front, as head of the Records work, while, as owner of *The Daily Express*, he kept Canada before the public; in the year under consideration he had become a Peer of the realm and a member of the Government as Chancellor of the Duchy of Lancaster and Minister of Information—though ill-health and overwork compelled his retirement after a few months. To Canada he contributed a gift of several valuable paintings connected with the early history of the country while Halifax received a subscription of $10,000 for its Relief fund; for Canada he continued his Records Office duties as before, without remuneration, and initiated the Press visit of the early summer.

He appointed Maj.-Gen. A. D. McRae, C.B., as Director of Organization in his Department and Colonel Manley Sims to an important post in France and never lost a personal opportunity of entertaining Canadians in London or appointing suitable men to British positions; he was the organizer of a general Canadian propaganda which did the Dominion much service and was the first to break down, in favour of Canada, the War Office rule not to single out particular Units in the field for public recognition; he had volunteered for active service and several times offered for examination but was always found unfit. Yet he was not popular in Canada so far as the press was concerned; very rarely did a Canadian paper congratulate him upon his phenomenal rise, his strong personality, his heavy public work, his success in life and in politics, the credit he had reflected upon his own country. There was jealousy of his rapid rise in certain English quarters, there was strong hostility to him in extreme Liberal and Free trade circles; in Canada a reflection of politics had something to do with the situation and the

famous Cement merger by which he made some of his money had more to do with it. But lots of other Canadians had made money by mergers, and will do so again, so that this was hardly sufficient to account for Canadian coldness.

That he felt it appeared from a speech at the dinner given to him by the Canadian Provincial Agents-General on Apr. 4th, when, after tributes from Sir G. Perley, Sir E. Kemp and others, Lord Beaverbrook said: "This I can say to you: I have an almost pathetic interest in the good opinion of my own people. It is not a strange thing that a man should look for the good opinion of his fellow-countrymen,, and never have I heard as much praise as I have listened to this evening. I have been playing a game of bridge in which there has been a double rough against me. Those Canadians who have not looked with favour upon me have criticized my public conduct and sometimes my private affairs. Those Englishmen and their journals who also do not view me favourably, have turned these Canadian criticisms to full use against me here as the opinion of Canada, and passing to Canada these English echoes have been used as the opinion of England!" When first offered a constituency in England and when finally offered a place in the Government "my heart went back to Canada." Then, in October, came his illness, his resignation and the expressed hope of the Prime Minister that "his energy and ability might again be at the service of the State."

Sundry War Organizations and Interests in England. The chief of these was the Canadian War Contingent Association formed in August, 1914, and of which Sir George Perley was President, Sir George McLaren Brown and J. G. Colmer, C.M.G., active officers, with Lady Perley and Lady Brown as chiefs in the Woman's branch. It was first organized at the request of the War Office to look after comforts for the Canadian troops; it developed with the growth of the Army into a very large and effective organization in close touch with the Red Cross and other Canadian interests and with full responsibility for the Queen's Canadian Military Hospital; its yearly revenue exceeded $100,000 and its total collections had been $500,000; by the close of the War over 30,000 cases of comforts and hospital supplies had been sent from Canada in its care for distribution to the Front. Including 1,500,000 pairs of socks and innumerable articles of clothing, food, and comfort during the same war-period, 50,000 cases, weighing 2,800,000 pounds, had passed through its hands from England or out of its own funds; the total value of all goods distributed by the Association was about $2,000,000. Of similar character, though smaller in operation, was the Canadian Field Comforts Commission, first constituted at Valcartier in September, 1914, for the distribution of gifts and voluntary supplies from Canada to soldiers in the field. As time passed on 1,000 Women's Societies in 872 Canadian towns and villages were contributing money and comforts to this organization which, during

1918, alone, sent to the troops from England 17,478,081 articles of all descriptions valued at $1,085,000. The number of parcels and packets sent to France totalled 69,737 in the years 1914-18. Miss Joan Arnoldi and Miss Mary Plummer of Toronto were the chief promoters and organizers of this work. Miss Arnoldi returned to Canada at the close of the year, visited the centres from St. John to Victoria and urged a continuance of support until the soldiers had all been brought home.

The Maple Leaf Clubs in London, which were started by Lady Drummond in 1915, supported by the Canadian authorities and by general subscriptions, rendered important services to Canadian soldiers in England on leave or recuperating from wounds and sickness. They were Clubs with various social features, recreation and reading-rooms, billiards and writing materials; they were centres to which the men could come for rest and comfort to receive invitations and hospitable offers; they were open day and night and provided a much-needed measure of relief to lonely men. The number of applicants for admission totalled in these years 881,450, the meals served in the buildings were 767,781, the number of beds occupied was 443,539 and the voluntary workers and helpers numbered 155. The total receipts were $350,000 of which the Ontario Government contributed $185,000 to the equipment and upkeep of several Clubs. The I.O.D.E. also established in 1918 a Home for Canadian Nursing Sisters which was of great service and it helped to maintain the I.O.D.E. Red Cross Hospital in Hyde Park, London. This organization undertook, also, in this year to aid in the restoration of a French village as a memorial to Canada's fallen men; it established a chain of soup kitchens for refugees in certain devastated French districts and to this plan Mme. Chase-Casgrain of Ottawa, gave her personal attention. A Canadian Officers' Club was opened in London on July 24th, by H.R.H. the Duke of Connaught; it had been established by the Beyond the Seas Association of which Sir Ernest Hatch, Bart., was Chairman and proved a most useful institution. The Royal Automobile Club was thrown open to Canadian officers without charge as were the privileges of St. Dunstan's Hostel for Blind Soldiers, under the care of Sir Arthur Pearson and with 66 Canadian soldiers receiving treatment.

The Canadian women who went overseas with their relatives, those who followed in order to be as near them as possible, a certain number who went for other reasons such as curiosity or the desire for excitement, the large number who went to help in any kind of War-work for which they were fitted, constituted a special problem. There were at the close of the War, at least 50,000 in England; the number, alone, was enough to cause anxiety in a war-burdened country with lack of food and complex responsibilities. The Canadian Government, upon more than one occasion in 1916-17, urged women not to go over except for very serious reasons or for purposes of organized work; eventually they were not allowed to go at all except under passport and with strict limitations. Appeals were

made in England to those women who had no special occupation to return home and avoid the after-war trouble when every corner of every ship would be full of soldiers—thousands responded though other thousands remained; on Feb. 13th, 1918, the number of soldiers' relations officially reported as drawing supplies in England was 27,500, and this at a juncture when the food situation was acute! During succeeding months 22,000 women and children were returned home but 50,000 still remained.

Of the women who did war-work the Nurses, were, of course, first with Miss M .C. Macdonald, R.R.C., as Matron-in-Chief of the Canadian Nursing Service; these devoted women, numbering 2,000 at least, were scattered through the Canadian Hospitals in England and were at every centre of need in France and under fire at clearing stations, in peril from submarines on hospital ships, under German air-bombs in hospital land areas; some, like Matron Edith Campbell, won not only the Royal Red Cross, but the Military Medal. On Apr. 17th, 5,000 Nurses from all parts of the Empire gathered in St. Paul's Cathedral to honour the memory of 133 Voluntary Aid Detachment Nurses who had died from shot or shell, or been bombed in hospitals or torpedoed in hospital ships; Queen Alexandra was present and also Princess Arthur of Connaught in Nurse's uniform. A Residential Home for Canadian Nurses was opened early in 1918 in the beautiful London home of Lady Minto and conducted under the auspices of the I.O.D.E. Canadian V.A.D's, under Lady Perley as Commandant, were everywhere on service—France, Salonika and the United Kingdom; many of them were in the Convalescent Hospital at Roehampton, of which Miss Winnifred Lewis, of Ottawa, was head. On Jan. 9th, Norfolk House, contributed by the Duke and Duchess of Norfolk to an English Committee who collected $100,000 to maintain it, was opened as a Club for the wives and relatives of Overseas officers.

In the Red Cross work Canadian women were conspicuous with Lady Drummond as the leader and inspiring influence. She was appointed in 1918 to be Assistant Commissioner after a long period of work as head of the Information Bureau; with her in various important duties were, notably, the Misses Erika and Jean Bovey of Montreal, Mrs. David Fraser of Glengarry and Mrs. Rivers-Bulkeley; in miscellaneous war-work Lady Perley was indefatigable as was Mrs. McLaren Brown; Miss E. Gordon Brown of Ottawa won honours in all kinds of work at the Front and Miss Roberta MacAdams, elected M.L.A. in Alberta, did excellent service in England as did Mrs. Julia Henshaw of Vancouver; Mrs. Douglas Cameron of Winnipeg, Mrs. George Black of the Yukon, Mrs. Alfred Watt, M.B.E., of Victoria, Mrs. Charles Hall of Montreal, Miss Cameron Smith, Matron of the Eastbourne Hospital, Mrs. Gordon Brown, Commandant of Nursing Sisters' Rest Home at Boulogne, and many others, did conspicuous service. Canadian girls acted in France, not only as V.A.D's in all kinds of exposed places, but took charge of Red Cross Recreation Huts and worked as ambulance drivers

for the wounded, and in any other capacity in which they could help. A word must be said as to the immense hospitality given Canadians by British women throughout the War. Lady Drummond paid several tributes in this connection and on Dec. 3rd, 1918, wrote to *The Times* indicating a few elements in this hospitality. It was as wide as the United Kingdom and generous to a degree; it included soldiers as well as officers, it covered Canadian camps and hospitals as well as Clubs and London centres.

Incidents of the year in England, associated with the Canadian forces, included the disappointments and regrets which accompanied the break-up of the efficient, highly-trained 5th Canadian Division under Maj.-Gen. Garnet Hughes, and its use for reinforcements—said to be the first time such a thing had occurred in the British Army; the statement of Hon. J. A. Calder (June 20th) after visiting Seaford, Witley and Bramshott that "the system of training Canadian troops in England has reached a high state of efficiency, with men engaged on the work who are experts and also veterans in actual war"; the announcement in September that 3,800 non-commissioned officers and men of the Canadian Forces had been given commissions in the Imperial Army and the statement of General Sir R. E. W. Turner that 35 per cent. of the R.A.F. flying officers were Canadians; the continued discussion of the temptations thrown in the way of Canadian soldiers during their stay in the great Metropolis with an official Report received at Ottawa in March which made a significant answer to the fears of the Canadian W.C.T.U., and to certain charges of the London *Daily Express*. The following statement was emphatic:

> There are temptations in every city, and London in war-time cannot pretend to be a Utopia. Though the sale of alcoholic drinks has been enormously restricted by law, though 'treating' is forbidden and drunkenness has decreased almost to the vanishing point, and though the efforts of what is probably the most efficient police system in the world have worked wonders in the repression of temptation to vice, it would be folly to suggest that the man who goes out looking for trouble cannot find it in London. But, thanks to the splendid, self-sacrificing work of a host of social workers of the Empire, supported without stint by the spontaneous goodwill of generous-hearted Englishmen and Englishwomen, all that is humanly possible is being done to counteract such dangers as may beset young men far away from home in a strange city.

As to actual facts Maj.-Gen. G. L. Foster, D.G.M.S., told the *Canadian Gazette* on Sept. 26th, that: "There is less venereal disease among the Canadian troops in England than there is among the troops in Canada, and less disease among the troops in Canada than there is among the civil population of Canada." Of other incidents was the statement of General Turner on Apr. 23rd that "the flag of Canada is not the Red ensign with Canadian Arms in one corner but the Union Jack—the flag of the whole Empire"; the opening by Cardinal Bourne on May 22nd of a Catholic Army Club for the use of Imperial Catholic troops with Sir G. Perley and Sir R. Turner present; the visit to England and the Front of three Provincial Premiers from Canada during June—Hon. T. C. Norris

of Manitoba, Hon. Charles Stewart of Alberta and Hon. W. M. Martin of Saskatchewan—and their share in a series of public functions, visits to camps or hospitals or Munition factories, and scenes of notable interest or importance on the battle-front, with formal presentation to the King on July 14th; the presence of Senator J. S. McLennan and Major R. T. Mackeen as Canadian representatives at the Inter-Allied Conference on the after-war care of disabled soldiers and sailors and the recognition of Canada's high place in these preliminary preparations; the presentation to Canada by several British communities of aeroplanes for use by Canadian aviators at the Front—notably by the citizens of Glasgow on Oct. 26th.

A much-discussed subject—in London gossip, in the press of London and Canada and even in the British Parliament—was the organization and nature of the British Cellulose Co., Ltd., formed, originally, in March, 1916 with a small capital, and re-organized in March, 1918 as the British Cellulose Parent Co., Ltd., with a capital of £3,500,000 of which £455,000 was paid in cash. The chief shareholders were the Vickers Ltd., of London, the Prudential Trust Co. of Montreal, General Sir Sam Hughes, F. W. Ashe, Sir Trevor Dawson, a Swiss Company holding the original patents and Lieut.-Col. W. Grant Morden, M.P., (Chairman), and the object was to manufacture and sell cellulose acetate, which was an essential for aeroplane wings. In the middle of 1918 Maj.-Gen. Garnet Hughes was appointed Managing-Director and, meanwhile, the Government contract for making cellulose in England had been obtained by the Company. Late in July the London *Chronicle* published a series of articles charging favouritism, irregularities and excessive profits in the re-organization of the concern—in which each of the original six-penny shares had become £14 stock. The press comments were very caustic and an investigation was demanded—by the Company as well as the public; it was at once granted by the Government and Lord Sumner, a Lord of Appeal, with two business peers, Lord Inchcape and Lord Colwyn, were appointed a Commission for the purpose. The Company, in a brief statement, declared that the stock values were purely on paper, that the purpose served had been a patriotic one which was vital to Aeroplane success, that no dividend had yet been paid, and that £2,000,000 had been expended on plant without Government assistance with commitments made for £1,500,000 in addition—of which the Government had advanced part as a Loan.*

During the year Col. C. A. Hodgetts, C.M.G., M.D., upon resigning from the Red Cross, was appointed Deputy Commissioner of the British Medical Service; Col. G. McLaren Brown, as British Assistant Director-General of Movements and Railways; Brig.-Gen. F. W. Hill, C.M.G., D.S.O., as Canadian Commandant at Witley Camp; Brig.-Gen. W. E. Edwards, C.M.G., as British Director of Inspection

*Note.—The Report of August 14, 1919 cleared the Company of these charges.

for Munitions in Canada; Brig.-Gen. Hugh M. Dyer, C.M.G., D.S.O., lately commanding a Brigade in France, as Commandant of the Seaford Area, and Brig.-Gen. Robert Rennie, C.B., C.M.G., M.V.O., D.S.O., as Commandant at Bramshott; Brig.-Gen. C. H. McLaren, C.M.G., D.S.O., as Commandant of Canadian Reserve Artillery; Brig.-Gen. J. S. Stewart, C.M.G., as Director-General of Construction in the British Army. An Overseas Purchasing Committee (Canada) was constituted during the year to supervise, direct, or inspect, and pass upon proposed actions and operations of the Director of Contracts; it was composed of Colonel J. A. Gunn, C.M.G., D.S.O., (Chairman), Col. K. C. Folger, D.S.O., and Major T. Gibson, D.S.O. In March the Canadian Pensions Board was re-organized as a branch of the Board of Pension Commissioners for Canada and placed in charge of Capt. D. B. Pidgeon as Manager.

Canadian Forces in France; Leadership and Conditions of 1918.

At the beginning of 1918 the Canadian forces in France numbered 140,000 and the 4 Divisions were well up to strength; during the year and until Nov. 30th, reinforcements were sent from England totalling 4,381 officers, 316 Nursing Sisters who ranked as officers, and 76,875 of other ranks; at the close of the year (Dec. 31st) there were 6,645 officers and 138,394 of other ranks in France compared with a total for officers and men on Dec. 31st, 1917, of 140,680, in 1916 of 108,703, in 1915 of 52,394. The total Forces at the beginning of 1918 and at its close were divided as follows: Infantry, 65,812 and 51,828; Artillery, 18,211 and 18,983; Cavalry, 2,717 and 2,832; Engineers, 7,554 and 19,083; Army Service Corps (C.A.S.C.) 5,368 and 5,890; Army Medical Corps (C.A.M.C.) 5,508 and 6,567; Railway Corps, 13,378 and 13,334; Forestry Corps, 9,434 and 11,510; Other Arms 11,728 and 17,062.

As to Casualties, the totals for 1914-18, inclusive, were as follows: killed in action or died of wounds, 50,869; died from other causes, 4,030; missing, 8,119; prisoners of war, 2,818; wounded 149,709. The total of all casualties was 215,545.* During 1918 the Commander-in-Chief of all British forces on the Western front was Field Marshal Sir Douglas Haig, K.T., G.C.B., G.C.V.O., who had succeeded F. M. Lord French in 1915; the five British Armies under him were commanded by Generals Sir Henry Horne, Sir Herbert Plumer, Sir Julian Byng, Sir Henry Rawlinson, and Sir William Birdwood; the Canadian Army Corps was commanded by Lieut.-Gen. Sir Arthur William Currie, G.C.M.G., K.C.B. The four Canadian Divisions were lead as follows: 1st, Maj.-Gen. Sir A. C. Macdonell, K.C.B., C.M.G., D.S.O.; 2nd, Maj.-Gen. Sir H. E. Burstall, K.C.B., C.M.G.; 3rd, Maj.-Gen. F. O. W. Loomis, C.B., C.M.G., D.S.O.; 4th, Maj.-Gen. Sir David Watson, K.C.B., C.M.G. The Brigade and other Commanders at the time of the Armistice were as follows:

*Note. Of the Missing 7,405 were accounted for up to Dec. 31st, 1918.

1st Brigade,	Infantry, Brig.-Gen.	W. A. Griesbach, C.B., C.M.G., D.S.O.
2nd "	" "	R. P. Clark, D.S.O., M.C.
3rd "	" "	G. S. Tuxford, C.B., C.M.G.
4th "	" "	G. E. McCuaig, C.M.G., D.S.O.
5th "	" "	T. L. Tremblay, C.M.G., D.S.O.
6th "	" "	Alex. Ross, C.M.G., D.S.O.
7th "	" "	J. A. Clark, D.S.O.
8th "	" "	D. C. Draper, C.M.G., D.S.O.
9th "	" "	D. M. Ormond, C.M.G., D.S.O.
10th "	" "	J. M. Ross, C.M.G., D.S.O.
11th "	" "	Victor W. Odlum, C.B., C.M.G., D.S.O.
12th "	" "	J. H. MacBrien, C.B., C.M.G., D.S.O.
Corps:	Artillery, Maj.-Gen.	E. W. B. Morrison, C.B., C.M.G., D.S.O.
1st Division,	Artillery, Brig.-Gen.	H. C. Thacker, C.M.G., D.S.O.
2nd "	" "	H. A. Panet, C.B., C.M.G., D.S.O.
3rd "	" "	J. S. Stewart, C.M.G., D.S.O.
4th "	" "	W. B. M. King, C.M.G., D.S.O.
5th "	" "	W. O. H. Dodds, C.M.G.
Corps:	Machine-Gun, Brig.-Gen.	R. Brutinel, C.M.G., D.S.O.
"	Cavalry, "	R. W. Paterson, D.S.O.
"	Railway Troops, "	J. W. Stewart, C.B., C.M.G.
"	Engineers, "	W. B. Lindsay, C.M.G., D.S.O.
C.A.M.C.,	"	A. T. Ross, C.B., C.M.G.
Section,	British Headquarters, "	J. F. L. Embury, C.M.G.

The Canadian Army Corps was officially reported on Sept. 30th, 1918, to consist of four Divisions with Corps troops. Each Division (about 20,000 troops) consisted of three Infantry Brigades, made up of four battalions of infantry each, one trench mortar battery, and the following Divisional Troops: Artillery—Two brigades, two medium and one heavy trench mortar batteries, and a divisional ammunition column; one battalion of the Machine Gun Corps; Engineers—three engineer battalions, one pontoon bridging transport unit, and one divisional employment company; divisional train of four companies; Medical Services—three field ambulances, one sanitary section and one mobile veterinary section; divisional signals of four sections, one at Divisional Headquarters and one with each brigade. The Corps Troops (about 10,000 men) were as follows: Corps Artillery—three brigades of garrison artillery containing twelve siege batteries and two heavy batteries, one anti-aircraft battery of five sections, three brigades of field artillery, two medium and one heavy trench mortar batteries, one divisional artillery ammunition column, and two motor machine gun brigades; Corps Engineers—pontoon bridging unit, five army troop companies, two tramway companies, an anti-aircraft searchlight company and corps survey section; Corps Medical Services—one field ambulance, one sanitary section, the dental laboratory and the veterinary evacuating station; Corps Signalling Services—the corps signal company, two motor aid line sections, four cable sections, four brigade signal subsections and one C.D.A. brigade detachment. Army Service Corps: headquarters mechanical transport column, seven mechanical transport companies, one divisional artillery mechanical transport detachment, one artillery brigade park section and one divisional train

detachment. Ordnance Services: three ordnance mobile workshops. Miscellaneous: infantry school, machine gun school, Lewis gun school, signal school, gas services school, Instructors' pool, gymnastic staff, Canadian Records list, Y.M.C.A. services, corps military police and two railhead army post offices. Labour Services: labour group headquarters, four labour companies, a pontoon bridging officers' establishment and five Canadian area employment companies.

The Canadian Cavalry Brigade formed part of the 3rd British Cavalry Division, belonging to the Third Army, and consisted of three cavalry regiments, a machine gun squadron, the Royal Canadian Horse Artillery, a signal troop, a field ambulance and a mobile veterinary section. The following Canadian Units, separate from the Canadian Corps, were attached to the five British Armies: 1st Army: Two casualty clearing stations, one sanitary section, one railhead supply detachment and two battalions of railway troops; 2nd Army: One casualty clearing station, one advance depôt medical stores, two battalions of railway troops, two auxiliary horse transport companies, one field butchery, two depôt units of supply, a railhead supply detachment and a tunnelling company; 3rd Army: One casualty clearing station, one railhead supply detachment, three battalions of railway troops and the Overseas Railway Construction Corps; 4th Army: One medical corps mobile laboratory, four battalions of railway troops, one light railway operating company and one broad gauge operating company. 5th Army: One battalion of railway troops. On the Line of Communications and attached to British General Headquarters were the following: 13 depôts units of supply, four field bakeries and two field butcheries, which were distributed at Boulogne, Calais and Dieppe; six General Hospitals and six Stationary Hospitals, which were at eight different places; the General Base Depôt, the Infantry Base Depôt, the Machine Gun Base Depôt, the Labour Pool, the Report Centre, the Command Pay Office, the Dental Store, two Field Auxiliary Post Offices, the Base Post Office, one Veterinary Hospital, one Battalion of Railway Troops, one Waggon Erecting Company and one Engine Crew Company. The following troops of the Canadian Forestry Corps were distributed at 11 places in France; 63 Forestry Companies, 5 District Workshops, one Construction Company, one Technical Warehouse, one Forestry Hospital and two Detention Hospitals.

The Canadian troops were, of course, under the supreme direction of Field Marshal Haig but General Currie had a control which was complete—apart from emergencies and the movement of all Armies and Army Corps by General Headquarters; there was, however, a Canadian Section or administrative headquarters attached to the British G.H.Q. with General Embury in charge and through him, the Canadian Overseas Ministry was able to use its influence in certain cases as, for instance, the keeping of the Corps intact. Of the Canadian soldier too much cannot be said as to initiative, rapidity of action, skill and courage in fighting and, in the latter

years of the War, discipline. He won the regard and admiration of his British and Canadian commanders, his Corps was a favourite one with Marshal Foch, the enemy respected and feared him. As a Corps the Canadians were very seldom defeated or held up —at Passchendaele they had to make three attempts and success came in the third attack but this was a rare exception. As to initiative, F. D. L. Smith of the Toronto *News*, recorded (Sept. 10th) a series of incidents showing Canadian adaptability in various important matters:

(1) They were the first to construct light railways behind the firing line, and to use this means of transportation in conveying troops, munitions and supplies to the trenches, as well as in carrying wounded to the rear.

(2) They were the first to lay down plank roads in order to carry heavy trucks and guns through the quagmires of Flanders and France.

(3) They were the first to substitute temporary, lightly constructed waggon roads in place of the permanent highways in favour with the other Allies.

(4) They were the first to originate trench raids for the purpose of breaking the enemy's *morale*, and obtaining necessary information regarding his forces.

(5) They were the first to organize machine-gun batteries and to use machine-guns in indirect fire—that is to say against invisible objects.

(6) They were the first to combat the disease known as trench-feet with any considerable success and they invented the alkali bath to neutralize the poisonous effects of mustard gas.

(7) They were the first of all the Allied armies to establish a Dental Corps, and as a result of this the dental health of the Canadian Army was of the highest character.

(8) They were the first to introduce a de-lousing plant to rid soldiers' clothing of insects.

(9) The Canadian Army Intelligence Department proved a model for others, and Canadian intelligence officers were called to reorganize departments of some of the armies on the Western and Italian fronts.

(10) Canadians introduced a watch repair department, so that the tens of thousands of wrist watches worn by officers and men did not have to go to England for repair.

Of the chief Canadian officers in command of the Corps or its parts, only a very few were experienced soldiers when the war began; General Lindsay was from the Imperial Army, Generals Morrison, Odlum, Macdonell, Burstall, J. M. Ross, and others had seen service in South Africa; in business General Currie was a real-estate man, Generals Odlum, Morrison and Watson, newspaper men, General Rennie a wholesale merchant; General Griesbach a lawyer. Many of the commanding officers were young men. General McCuiag of Montreal, was only 33 in 1918, General Garnet Hughes 35 and Generals Griesbach, MacBrien, Hogarth, J. M. Ross, J. S. Stewart were all under 40. It may be added that active serice, whether as General or private, was not a safe undertaking in this War. During 1918 Brig.-Gen. J. S. Stewart, who was an M.L.A., in Alberta, was wounded for the second time; Maj.-Gen. L. J. Lipsett, the brave and popular Commander of a Winnipeg Battalion and latterly of a Brigade, was killed; Brig.-Generals F. E. L. Barker, D.S.O., V. W. Odlum, A. H. Bell and J. H. MacBrien were all wounded; Brig.-Generals J. H. MacBrien, Edward Hilliam, G. S.

Tuxford, D. C. Draper and V. W. Odlum, won the Bar to the D.S.O., which required not only courage, but continued and conspicuous exposure to danger; Brig.-Gen. J. A. Clark went further in the path of peril and won a second Bar to the D.S.O.

The career of Sir Arthur Currie was one of the romances of the War and will remain a permanent source of historic interest. Like his Australian counterpart, Sir John Monash, he was a product of the War; like the best British Generals of the regular Army, he had the absolute confidence of his Corps. F. A. McKenzie, the War correspondent, who saw much of him, has recorded this impression of his character and work: "Every visitor to the Canadian lines is impressed by the remarkable domination of the Corps Commander over all ranks. He has won the confidence, affection and enthusiastic admiration of our Army, from generals to privates. All Canadian soldiers respect him for his straightness, justice, tirelessness and wise severity. He plays no politics and has no favourites. He has killed the spirit of intrigue by ignoring it. Under General Currie, old professional soldiers, who, at the beginning of the War were perhaps somewhat slighted, now find their knowledge and experience fully utilized. He strongly believes in them, particularly for the instruction of men for open war, which method demands more initiative and knowledge than trench fighting. He also is a great believer in young men and selects his young officers from the ranks, several of his Battalion commanders began as privates. Youth, energy and relentless search after the highest efficiency dominate the Canadian ranks." Every visitor to the Front came back during this and preceding years with a tribute to the popularity of the General; a feature of his command which appealed to the outside public was the clear, effective, ringing tones of his special Orders and statements to his troops and the straightforward nature of such letters as got into the press; he, also, was very frank in his public utterances. At a London dinner to Sir Robert Borden (June 12th), he said:

> When we came to England first we were not regarded as the finest fighting soldiers. We had many things said about us unjustly, and suggestions were put about that it was improbable that we should ever become good soldiers. Everywhere to-day, at G.H.Q. and all other places, it is recognized that Canadian soldiers are fit to take their place beside the veteran soldiers of the British Army, with whom we are proud to serve. I know it has been said that Canadians and other Overseas troops are placed in the hottest parts of the War area. That is all poppycock. The greatest fighting in the War has been this year, and we have not taken any particular part in it. The Boche has not attacked the Canadian front. He knows that he has never yet met the troops from Canada without suffering severely. The turn of the Canadian Corps must come. The temper of the Canadian soldier is that there is no position he is asked to take that he will not take; and I know that the Boche will not take any part of our line except over the dead bodies of your Canadian fellow-citizens.

Great events followed and on Aug. 4th, General Currie marked the 4th anniversary of the War with one of his Napoleonic phrases in a cable to Canada: "To all the former comrades now returned

to Canada I would appeal for a response to the obligations and privileges of citizenship as splendid as their response to the military needs of our country. The great ideal you so nobly fought for is now your privilege to live for. Let our national life be enriched by that splendid spirit of self-sacrifice which has consecrated our battlefields and help make of Canada a nation worthy of her fallen sons." To General Mewburn, Minister of Militia and Defence, he wrote about the same time: "We all know that in you we have a Minister determined to support us in every possible way. Give us the men and we will never let you down."

The Year of Victory; The Canadian Corps in the Campaigns of 1918.

During its years at the Front the Canadian Corps had maintained its identity better than any other Army Corps of the time; the press of the Empire and the United States had contributed to increase its meed of public appreciation; its own people showed the American liking for publicity and a not unnatural aversion to the military censorship—which inevitably made mistakes. Canadian troops, therefore, received much praise, they deserved it all and more, but they were the first to resent the statement that they were the best troops in the field—a continuous battle-ground where nearly all men were brave to the limit of human life and endurance. But Canadians did, undoubtedly, unite dash and initiative in the latter part of the War, with discipline, and the combination was exceptional; they worked hard, fought stubbornly and, with typical British confidence, never doubted the outcome; they were clean and smart in appearance and proud of themselves and their country in a self-respecting and assured way.

Writing on Mch. 8th, 1918, to F. B. McCurdy, M.P., General Currie stated that: "We look back on the year 1917 with a great deal of pride, feeling quite sure that in that period the Canadian Corps more than did its share in helping to win the War. It seemed like one continuous battle, and one continuous series of successes. What is an interesting thing to me, is that during 1917 the battle casualties were less than during 1916—excluding the 4th Division which was an addition to the forces in 1917." During 1918 the Canadian Corps was destined to do more than even in the preceding year. At first it was a deliberate and sustained policy of harassing and worrying the enemy with raids of all kinds and in all degrees of surprise attack and successful action. These were months of work and bitter trench-fighting all along the British and French lines, of preparation and waiting, of bombardment and bombing, of aerial fighting and preliminary efforts of every kind to minimize or neutralize the tremendous shock of the coming German attack. This had become inevitable when the superiority of numbers passed from the Allies to the Teutons and the resources of the Austrian eastern front became available in the West.

The Canadians did not take an active part in meeting the first German aggressive—the great shock of arms which brought the

enemy so near Paris and so near the Coast. They were held in a sort of reserve in and around Lens; when the German thrust of March came, the 2nd Division was attached to the 6th British Corps and held a line near Neuville Vitasse, which the Germans did not seriously attack. It was at this stage, on Mch. 27th, that General Currie issued a special Order to his troops reviewing the fateful situation, describing the forced retreat of the British "fighting hard, steady and undismayed" and then proceeding in these terms: "Looking back with pride on the unbroken record of your glorious achievements, asking you to realize that to-day the fate of the British Empire hangs in the balance, I place my trust in the Canadian Corps, knowing that where Canadians are engaged, there can be no giving way. Under the orders of your devoted officers in the coming battle, you will advance or fall where you stand, facing the enemy. To those who fall I say, You will not die, but step into immortality. Your mothers will not lament your fate, but will be proud to have borne such sons. Your names will be revered forever by your grateful country, and God will take you unto Himself. Canadians, in this fateful hour, I command you and I trust you to fight as you have ever fought, with all your strength, with all your determination, with all your tranquil courage. On many a hard-fought field of battle you have overcome this enemy and with God's help you shall achieve victory once more." There followed a period of active minor fighting in which the troops were moved around a good deal and apparently separated into sections; this fighting has been officially recorded as follows:

Apr.	1	Canadian Cavalry Brigade aided in capture of Moreuil and wood to north of it.
"	5	Canadians repulsed raids on Vimy-Arras front.
"	11	Canadians under heavy artillery bombardment repulsed attack at Vimy and won ground in raids.
"	22	Canadians defeated Germans in big gas attack north of Lens.
"	25-28	Canadians in series of trench raids at Vimy.
"	29	Canadians attacked Germans at Lens; took prisoners and machine-guns.
May	3	Bombardment opened on the Lys River. Canadians in successful operation.
"	7	Successful Canadian raid at Neuville. Canadians took over part of the line south of Arras, embracing Neuville-Vitasse, Mercatel, and Boisleux-St. Marc.
"	27	Raids by Canadians.
"	28	Canadian Cavalry cleared the Germans from advantageous positions in small woods south of the River Luce.
"	28	Heavy fighting south of Arras on the 21st of the month. Operations of the Canadian Corps.
"	29	Heavy bombardment on the Canadian front (Arras-Lens). Enemy lines raided.
June	6	Ontario troops harassed the enemy in region south of Arras.
"	25	Canadians raided enemy trenches south of the Scarpe. Canadian forces once again in the front line and continually harassing the enemy.

Meanwhile, the Corps was intensely anxious to get into the real battles of that great period and by the anniversary of the fourth

year of war, conditions permitted of their more active participation—encouraged by a Message from General Currie in which, with characteristic earnestness, he reviewed the past few years of achievement and added: "Then we turn our minds to the future with confidence born of past success, with unshakable belief in the justice of our cause, with unfaltering faith in God, who alone giveth victory, we pledge ourselves afresh to the work in hand, the fight for freedom, righteousness, and humanity." After months of training and desultory fighting, the men were deemed ready for the new style of warfare. F. A. McKenzie, a trustworthy correspondent, dealt with the subject as follows on Aug. 10th: "I was with the Corps during part of the period of preparation, and it was impossible, then, to fully describe the revolutionized methods. The troops had to be physically fit to endure entirely different conditions from trench warfare, accustoming themselves afresh to long marches and rapid movements. The Artillery equipment was partly transformed, the greatest attention being given to mobile guns and mortars, which could be brought forward in carts over almost any ground; emplacements constructed instantly, and guns made ready for action." The result was that when the time came, between Aug. 8-10, the Canadians were able to advance as a spear-head in the great battle near Amiens with the greatest confidence in their leaders, in the elaborate training of past months, and in the preparations of a more recent period.

Organization and staff were perfect and the troops were amply backed by an enormous force of aeroplanes and whippet tanks. They captured many prisoners—6,000 on the first day—with every enemy gun in sight and immense quantities of material; in conjunction with the Australians, they then took Maharicourt, Bonchoir, Rouvray, Warvilliers, Beaucourt, Vrely, Lihons and Rosières. All objectives were attained and the Artillery, in particular, distinguished itself. Between the 12th and 17th a new drive forward was made south of Villers-Brétonneux to the Avre and, in conjunction with British and French forces, considerable gains were made including the Canadian capture of Le Quesnoy, Mancourt, Chilly and Hallu on the road to Roye. To the Corps came congratulations from F. M. Sir Douglas Haig upon its successful carrying out of these operations, while Lieut.-Gen. Sir Henry Rawlinson of the 4th British Army, under whom it was serving, issued this statement: "I desire to place on record my sincere appreciation of the conspicuous and highly successful part played by the Canadian Force in the Battle of Aug. 8th. The task allotted to them was not easy, especially on the right, where the initial attack was delivered under special difficulty. The need for secrecy which necessitated the assembly of the force by night in an area previously unknown to them, enhanced the difficulties, especially when the front line had of necessity to be held by other troops. The determination with which all obstacles were overcome, the dash and gallantry with which the assault was delivered, and the precision with which each advance

was made exactly on scheduled time, reflect the highest credit both on the Staff arrangements and the fine fighting spirit of all units which took part in the operation."

Other messages poured in while the London *Times* correspondent on Aug. 27th, said of this struggle: "On the main battle-front the honour of the first advance was shared by the Australians and Canadians. In structure it was chiefly a Canadian battle. It was their advance on the Luce that was the core and crux of the operation, and on their progress depended the advance of both the Australians on their left and that of the successful French armies on their right, each of which was thrown in only as the advance above it prospered. The Canadians are right, I think, in claiming that the fighting of those first two days was the biggest thing Canada has done in the War." In the complete operations or battle, ending Aug. 17th, 10,000 prisoners, 150 guns, 1,000 machine-guns and 20 towns or villages were captured by the Canadians. Following this, the Corps was moved by a wide *détour* march or transport over 100 miles from the vicinity of Roye back to Arras. On Aug. 26-27 an important new advance followed south-east of Arras and across the Scarpe River. Wancourt, Guemappe and Monchy-le-Preux were captured and all objectives reached while on the next three days the Corps pressed on to the threshold of the Hindenburg Line, at a point called the Drocourt-Quéant switch of the Wotan defensive system. To do this they had captured a shell-shattered region, fenced and laced with barbed wire and strongly fortified trenches. At this juncture the Corps was fighting side by side with Scottish troops and on the 28th, captured Pelves and Boiry-Notre-Dame.

By Sept. 1st, the advance was following the Cambrai road and was close to the Drocourt-Quéant line with its trenches protected by powerful and inter-laced belts of wire with barbs an inch long; commanded by ferro-concrete positions every 100 yards and machine-guns in each position with "pill-boxes" and other guns in between the positions. It was stated that the Line was held by seven Prussian and Bavarian Divisions while General Currie had under his command two Canadian Divisions and, in the final assault, was supported by portions of four greatly depleted English Divisions—London and Lancashire, Naval and Lowland. Between them, on the 2nd, with the Canadians well to the front, the greatest German position from Cambrai to the Belgian coast was taken in a few hours' fighting and the villages, or rather Hindenburg fortifications, of Dury, Villers-les-Cagnicourt, and Cagnicourt, captured and held by the Canadians. With characteristic British generosity, the London press gave all the credit of the great victory to the Canadians. As the *Daily Chronicle* put it, so did the other leading dailies: "The Hun switch line west of Arras which defends Quéant and Douai, has been completely broken through by the Canadians on a front of six miles. It is a remarkable military feat, for the position comprised one of the most formidable, if not the

most formidable, defences which the enemy possessed." F. M. Sir Douglas Haig, in his official report, stated that:

> On Sept. 2nd the Drocourt-Quéant line was broken, the maze of trenches at the junction of that line and the Hindenburg system was stormed and the enemy was thrown into precipitate retreat on the whole front to the south of it. This gallant feat of arms was carried out by the Canadian Corps of the 1st Army, employing the 1st and 4th Canadian Divisions, and the 4th English Division, and the 17th Corps of the 3rd Army, employing the 52nd, 57th and 63rd Divisions. The assault of the Canadians was launched at 5 a.m., on a front of about 4½ miles south of the Trinquis Brook, our infantry being supported by 40 tanks of the 3rd Tank Brigade and assisted by a mobile force of motor machine-gun units, Canadian Cavalry and armoured cars. The attack was a complete success, and by noon the whole of the elaborate system of wire, trenches and strong points constituting the Drocourt-Quéant line on the front of our advance was in our hands.

In this engagement the Canadian Corps captured 10,000 prisoners, 95 field and heavy guns, 1,016 machine- guns and had casualties of about 11,000. The enemy retreated to the Canal du Nord position where, as the Canadians advanced, they had to meet and repulse fierce German counter-attacks. Between the 15th and 23rd of September, there was a series of raids by the Corps on both sides of the Canal in which one position was taken and re-taken four times and the Canadians were under practically continuous shell-fire. Finally, Cherisy was taken, the Bois du Sort stormed, and at Vis-en-Artois the Canadians stood further east on the Scarpe sector than had any Allied troops since 1914. This marked the close of the second phase of the great Battle of Arras, in which these conflicts were only a part. On Sept. 27th, the famous Bourlon Wood of 1917 and British battle-fame was captured and the Canal du Nord crossed under support of a great concentration of Imperial Artillery fire. The line, like that of Drocourt, was considered impregnable but, when the attack was once made, the Canadians (1st and 4th Divisions) and their British comrades went through and over everything and the former in one day penetrated five miles beyond and captured many prisoners and guns. A memorable feature of the Canal crossing (125 feet wide and 45 feet deep) was a bridge of tanks with fighting tanks crossing over it.

This advance brought the Canadians and the British Naval Division to the outskirts of Cambrai. It included the capture of Ossy le Berger, Epiney, Maynecourt, Marquin, Sailly, and other fortress-like villages. During two months' fighting the Corps had in fact, taken 69 towns and villages from the German armies. The Battle of Cambrai which followed, was a desperate conflict and Canadian troops (now including the 3rd Division) declared it to be the hardest fighting they had faced in France. So with the nearby English Divisions. On Oct. 1st the Germans made a supreme stand and the slaughter of the enemy was described as appalling with 10 Divisions pitted against 3 Canadian. On Oct. 9th Cambrai was finally entered after the Canadians had captured Cuvillers and the Neuville-St. Remy-Ramillies suburbs of the City. As to this series

of struggles General Sir David Watson reported to the Minister of Militia at Ottawa (Toronto *Star,* Nov. 5th): "I find that there were no less than 13 Divisions, consisting of 84 battalions, pitted against us during the first terrible days. The Boche actually threw Division against Division, and unit after unit, regardless of cost, in his attempt to stop our victorious progress. It was the hardest fighting that our Canadians have been up against, and the manner in which they took these terrible gruellings and assaults, is one of the most creditable occurrences in the annals of this great War." Canadian casualties were 16,000. Meantime, on Oct. 3rd, General Currie had issued a Special Order to his Corps:

I wish to express to all troops now fighting in the Canadian Corps, my high appreciation of the splendid fighting qualities displayed by them in the successful battle of the last five days. The mission assigned to the Corps was the protection of the flank of the Third and Fourth Armies in their advance, and that mission has been carried out to the complete satisfaction of the Commander-in-Chief. As you formed the flank, you suffered enfilade and frontal artillery fire all the way, and the hundreds of machine-guns captured testify to the violence of the opposition from that source. Every evidence confirms the fact that the enemy suffered enormous casualties. He fought stubbornly and well and for that reason your victory is the more creditable. You have taken in this battle over 7,000 prisoners and 200 field and heavy guns, thus bringing the total captures of the Canadian Corps since Aug. 8th of this year to 28,000 prisoners, 500 guns, over 3,000 machine-guns, and a large amount of stores of all kinds.

Even of greater importance than these captures stands the fact that you have wrested 69 towns and villages and over 175 square miles of French soil from the defiling Hun. In the short period of two months the Canadian Corps —to which were attached the 32nd Division for the Battle of Amiens, the 4th and the 51st Divisions for the Battle of Arras, and the 11th Division for this Battle of Cambrai—has encountered and defeated decisively 47 German Divisions; that is, nearly a quarter of the total German forces on the Western front. The victories you have achieved are the fruit of the iron discipline you accepted freely, and of the high standard you have reached in the technical knowledge of your arms, and the combined tactical employment of all your resources. I am proud of your deeds, and I want to record here my heartfelt thanks for your generous efforts, and my unbounded confidence in your ability to fight victoriously and crush the enemy wherever and whenever you meet him.

At the same time General Horne, of the 1st British Army, wired his appreciation: "During the past five days, the Canadian Corps, assisted by the 11th Division and portions of the 56th Divisions, successfully carried through the difficult task of forcing the Canal du Nord in face of a determined enemy and captured Bourlon Wood and the high ground north and northwest of Cambrai. The importance which the enemy attached to these positions is shown by the number of Divisions which he has employed and by the violence of his counter-attacks during the last two days." On Oct. 9th the Corps were the first to enter Cambrai and took possession after a night attack of careful organization and keen fighting. Meanwhile, a Canadian and English Cavalry force had gone further south and effected the capture of Le Cateau (Oct. 10th) after working through and taking a number of villages.[6] The main Canadian body then advanced under easier conditions but still battling stead-

ily, shared the occupation of Douai with other British troops, captured a series of villages and on Oct. 20th, entered Denain—Sir Arthur Currie having the Prince of Wales on his staff at this point.

Four days later they fought a severe battle for the Scheldt Canal north of Valenciennes—after marching over 30 miles of indescribable roads—and then, with the British forces, attacked on a 6-mile front south of that famous City. Within a week the Corps had captured 28 towns and villages in this region and its Commissariat had fed over 70,000 people freed from German bondage. Finally, on Nov. 2nd, Canadian troops, supported by a British Army Corps, captured and entered Valenciennes. The advance then continued across the border into Belgium with the capture of a number of towns and villages until, on Nov. 11th, a final struggle was fought out for the possession of Mons, which eventually fell to the Canadians (3rd Division) and, on the very day the Armistice was signed and the War practically ended, British troops from a distant Empire Dominion, had entered the famous city from which in August, 1914, at the beginning of the War, British troops of the United Kingdom had been driven by the huge German war-machine. With the Canadians—notably the 42nd Battalion of Montreal, the Princess Pats and the Royal Canadian Regiment, was a British Lancer Regiment which had fought in the original battle. Out of Mons in the brief days of the Canadian occupation, came a message from General Sir Arthur Currie to the Governor-General, which deserves to live in history:

> From the doubly historic battle-field of Mons, and on the eve of its departure for the Rhine, the Canadian Corps acknowledges, with a sense of deepest gratitude, your message sent on behalf of the people of Canada. We join with them in humble and grateful thanks to God for the glorious victory vouchsafed to our Arms. Our hearts go out to those to whom there remains only the cherished memory of their loved and lost, sacrificed in the noblest cause for which men have died. Weary with work of destruction, we long for the time when we shall be homeward bound to take up again, with a clearer conception of its responsibilities, our duties as citizens of the fairest land in all the world, our own beloved Canada.

The War was over, but there followed the march of Canadian and British and French and American troops to the Rhine. General Currie led a part of his troops (1st and 2nd Divisions) into Germany, and on Dec. 13th, they crossed the historic and long-hoped-for Rhine and for a period occupied the University City of Bonn and the still greater City of Cologne; another portion remained at Mons for a time. In this connection, and as already indicated in the preceding narrative, it may be said that the Canadian Divisions were not always a unit in the fighting described above. One or two or three Divisions may have shared in any one conflict dealt with—not necessarily all of them. As the Town Council of Mons put it in a Proclamation issued at this juncture: "The 3rd Canadian Division, at the price of many sacrifices, penetrated the city at 3 o'clock in the morning, avenging thus by a brilliant success, the retreat of 1914. Glory and gratitude to it." From Mons,

also, had come a Special Order by General Currie to his Corps which was enthusiastic to a degree:

> During four long years, conscious of the righteousness of your cause, you have fought many battles and endured cruel hardships, and now your mighty efforts are rewarded; your fallen comrades are avenged. You have demonstrated on the battle-field your superior courage and unfaltering energy. By the will of God you have won, won, won! Marching triumphantly through Belgium, you will be received everywhere as liberators, but the kindness and generosity of the population must not cause any relaxation of your discipline or alertness. Your task is not yet completed, and you must remain what you are, the close-knitted Army in grim, deadly earnest. It is essential that on the march and at the halt, discipline must be of the highest standard. Beginning by the immortal stand at the 2nd Battle of Ypres, you befittingly closed, by the capture of Mons, your fighting record in which every battle you fought is a resplendent page of glory.

During this long struggle the total casualties of the Canadian Corps were 216,000 with one-fourth fatal; the troops who died in Canada and were not included in the total casualties were 2,287. About 2,800 Canadians were taken prisoners during the War—most of them at St. Julien. As to the rest, this great little Army of the Empire distinguished itself in many ways apart from the courage and fighting skill which their Commander summed up in a cable to J. H. Woods, President of the Canadian Press Association: "In the last two years of strenuous fighting, it has never lost a gun, has never failed to take an objective and has never been driven from an inch of ground once consolidated, while its casualties among the rank and file bear the smallest percentage in proportion to its strength of all the British forces." General Currie had always been optimistic—cheerful whenever possible, stern wherever necessary. He was as convinced of the right in this great struggle as he was of the essential requirements of peace and the latter he clearly described in a cablegram to Sir George Foster during the final struggles on the way to Valenciennes and at the height of President Wilson's negotiations with the enemy: "Conscious of the lurking dangers in the present situation, from a battlefield drenched with the blood of their comrades, the men who may die in the battles of to-morrow expect and pray that our young nation shall raise its voice and exert its full strength to defeat the devilish endeavours of German diplomacy. Complete victory is within our reach. Let us have it, so that the blood of our bravest and best shall not have been shed in vain, and that generations yet unborn shall know that the sacrifices we consent to make and the bitter sorrow we have endured have not been without justification or purpose."

A word must be said here as to the Princess Patricia's Light Infantry—the first of Canada's forces on the field of the Western front and the only Infantry Battalion which served under both British and Canadian commanders; the only one which had the right, and exercised it, of carrying its own colours at the Front—colours worked by Princess Patricia herself; the most badly shattered and frequently depleted of Canadian regiments and the best known abroad. It had three commanders killed—Farquhar, Buller,

and Stewart; the others were all notable in the annals of the fighting front—Hamilton Gault, H. W. Niven, R. T. Pelly, Agar Adamson—and most of them were wounded at least once. Re-organized from almost nothing, its chief source of strength in 1917-18 was in the Universities of Canada and it had the deserved honour of entering Mons with the first lot of Canadian troops after sharing in many of the desperate battles of preceding months. Lieut.-Col. C. J. T. Stewart, D.S.O., was killed in action on Sept. 28th, and his successor and the last commander of the Battalion was its founder and organizer, Lieut.-Col. A. Hamilton Gault, D.S.O. Meantime, in far-away Siberia the 4,000 Canadian troops were the chief and most effective part of the small British army and, under command of Maj.-Gen. J. H. Elmsley, C.B., C.M.G., D.S.O., and Brig.-Gen. H. C. Bickford, C.M.G., did gallant service. A point which must not be over-looked is the fact that on Nov. 11th, 1918, there were nearly 40,000 Canadian troops serving with the British Army separately and distinctly from the Canadian Corps and in all sorts of capacities—in the Royal Air Force, the Forestry Corps, as Railway troops, etc. The following table gives the exact figures:*

	Officers	Other Ranks
Corps of Canadian Railway Troops	491	14,390
Canadian Forestry Corps	376	11,375
Canadian Cavalry Brigade	141	2,719
Canadian Army Medical Corps	360	2,467
Canadian Army Service Corps	57	1,675
Canadian Engineers Reinforcement Pool	49	1,214
Canadian Labour Pool	..	1,881
Canadian Base Signal Pool	8	432
Canadian Army Veterinary Corps	9	438
Canadian Army Dental Corps	52	104
Miscellaneous Details	65	479
Totals	1,608	37,174

There were, indeed, other Services than the Infantry. As General Currie put it on Oct. 3rd: "The dash and magnificent bravery of our incomparable Infantry have at all times been devotedly seconded with great skill and daring by our machine gunners, while the Artillery lent them their powerful and never-failing support. The initiative and resourcefulness displayed by the Engineers contributed materially to the depth and rapidity of our advances. The devotion of the Medical *personnel* has been, as always, worthy of every praise. The Administrative services, working at all times under very great pressure and adverse conditions, surpassed their usual efficiency. The Chaplain Services by their continued devotion to the spiritual welfare of the troops and their utter disregard of personal risk have endeared themselves to the hearts of everyone. The incessant efforts of the Y.M.C.A. and their initiative in bringing comforts right up to the front line, in battle, are warmly appreciated by all."

The Cavalry force was small but it was effective and full of

*Note. Minister of Overseas Military Forces—Official Report.

dash and courage. For the first part of the War, Maj.-Gen. J. E. B. Seely, C.B., D.S.O., M.P., ex-Secretary of War, was in command; in 1918 he took a higher place and was succeeded by a Canadian, Brig.-Gen. R. W. Paterson, D.S.O.; during the years of trench warfare the battalions acted very often as Infantry. Lord Strathcona's Horse, re-organized from its famous days in South Africa, was one of the best known units, and Lieut. F. M. W. Harvey won the V.C. and French Croix de Guerre and Lieut. G. M. Flowerdew the V.C. in this Battalion. The Fort Garry Horse, the Royal Canadian Dragoons, the Royal Canadian Horse Artillery, the Machine-Gun Squadron, the Canadian Cavalry Field Ambulance, and the Mobile Veterinary Section were other units of the Brigade. As dismounted men the force served in the early battles of the War; at the 1st Battle of Cambrai there was a remarkable charge of the Fort Garry Horse which won Major H. Strachan a V.C.; from time to time it was allowed to try out the horse and sabre with usually brilliant results; in 1918 the Brigade had its first great chance and General Rawlinson of the 4th Army, with whom it was serving, declared during a visit to the Brigade on Apr. 3rd, that it had contributed very largely to preventing a serious disaster during the March offensive and that its work at Moreuil and Rifle Woods on Mar. 30th and Apr. 1st had saved Amiens. During this year of victory the Cavalry had several other distinguished successes—at Villeselve, at and around Catigny, near Montdidier and at Fontaine. On Aug. 8th it was with the Canadian Corps and captured Beaucourt and then Andechy—Colonel J. L. Ralston of Nova Scotia being wounded in this fighting and his brother killed; it then went into reserve until October, when it captured Le Cateau, Montay and other places. The *personnel* of the Brigade was mentioned 82 times in Despatches and received 394 honours or decorations; its total strength in France on Nov. 11th was 2,860.

The Artillery service under Maj.-General E. W. B. Morrison, C.B., C.M.G., D.S.O., did most efficient work; the Machine gun section under Maj.-Gen. R. Brutinel, C.M.G., D.S.O.,—a French officer in the British army who had volunteered for the Canadian forces—was distinguished in many ways. Facts as to the achievements of this service were not easily available during the war or immediately after; for reasons easily comprehensible as to the war period but not so clear after that time.* All through the stories of the campaigns of 1915-18 there run references to the work done by the Artillery—either that of Canada when it was sufficiently strong to act alone or its combined efforts with the British corps at other times. The armoured cars, the machine gun batteries such as those of Sifton, Borden, Eaton and the Yukon; the trench-mortars, the siege guns, the anti-aircraft guns, the field guns, all played their parts in the struggle. Phillip Gibbs told this incident on Apr. 1st, 1918:

*Note. The Report of the Ministry on the Overseas Forces contained no section relating to Artillery and Sir Edward Kemp's statement in the Commons on May 27th, 1919, made practically no reference to this Service.

Away from Arras and down on the south of the line a certain body of Canadians have been having some of the most astounding adventures in all this battle, and fighting with valour and heroic audacity. They are officers and men of a machine gun detachment organized in the early days of the war by a French-Canadian officer at the expense of himself and ten friends, and they have been looking forward to the day when they would be wanted for great service. That day came March 21, and for ten days these Canadians have fought running fights with the German artillery, have engaged German cavalry and smashed them, have checked enemy columns crossing bridges, and, pouring onward, have scattered large bodies of men surrounding British troops, and in ten days of crowded life have destroyed many German storm troops and helped to hold up the tide of their advance. Their own losses were not light, for these Canadians have been filled with grim passion and determined to die rather than to yield to any odds, and even that has happened.

During the German offensive of this and succeeding months Canadian machine guns, if not heavy artillery, were everywhere. Roland Hill on Apr. 1st wrote in more specific terms than Mr. Gibbs: "In the delaying of the great German attack on the Somme the Canadian Motor Machine Gun Corps did heroic work, and have gained special mention from the Commander of the British Army which fought the brunt of the wonderful retirement. Several times these swift armoured cars found themselves fighting alongside the tanks, and more than once they followed the track of their heavier allies. The tanks were the battleships of the great fight. The Canadian armoured cars were the light cruisers." The casualties were heavy but the toll taken of the enemy was described as enormous. The Russell motor cars, designed for the Eaton Battery were very effective in this fighting; different, but very good types, were those of the Sifton Battery from Ottawa and of Sir Charles Gordon from Montreal.

In speaking to an Ottawa organization on Sept. 13th, Roland Hill, on a visit from the Front, told how Major-Gen. Morrison prepared his artillerymen for the advance: "In the months of preparation which preceded the attack by the Canadians, he obtained models of the enemy's principal guns, and selected picked men for instruction in the handling of them. Then, when the time came, these soldiers went forward with the Infantry and, after the guns had been wrested from the Bosche, turned them upon the retiring foe, and upon points ahead, the ranges having long previously been determined and fixed in the memory of the gunners." The *barrage* of the Canadian artillery was one of the features of the fighting—at Vimy, at Lens, at Arras, at Cambrai, and many other places; Canadian guns were never captured though they might be destroyed; Canadian gunners, on many occasions, died at their posts. Even on Armistice day, in far-off Siberia, the War Office spoke of "the fine work of the Canadian Field Artillery who kept their guns in action though the enemy were close up to the emplacements and materially assisted in this defeat of the enemy." Of the first day of the great British advance in France (Aug. 8th) J. F. B. Livesay wrote as follows of the Canadian Artillery in the battle:

This War had no more wonderful exhibition of scientific gunnery than that which broke on the enemy yesterday, in a *barrage* far more intense than even that of Vimy, and pursued his retreating forces relentlessly, raising the precise distance in yards at stated intervals of minutes, as our men got into him. It would have been wonderful if the ground had been known and prepared and every feature of the artillery problem carefully studied in advance as at Lens. It was nothing less than marvellous, when there are taken into account the facts that many of the batteries were only brought up a few hours before the engagement opened, that it was impossible for them to expose themselves by any attempt at registration and that a great part of the work of the *barrage* was done from maps by triangulation. The Canadian field batteries were handled like a show of the Royal Horse Artillery, limbering up and dashing for a road, and unlimbering, hard on the heels of the retreating enemy. At Vimy we took three German batteries and they were at once turned on the enemy, being named the first, second, and third Pan-German batteries. By yesterday afternoon there was a whole Pan-German brigade at work!

Of course, the Artillery supporting the Canadians was not always Canadian or all Canadian. H. F. Gadsby writing after a visit to the Front, in *Maclean's Magazine,* stated that: "Artillery in support of Canadian Corps varied from time to time according to operations undertaken. At Vimy the *barrage* was five miles long and 2½ miles in depth and our Artillery strength was 624 field and 224 heavy; Passchendaele, 507 guns; Hill 70, 446 guns; March-April, 1918, 564 guns. At Passchendaele we shot off 2,100,000 shells, which, loaded on cars, would make a train 7½ miles long."

Of the Forestry Corps much might be said and a great deal actually was said in the way of praise. These Battalions were conspicuous in England and in France and often close up to the Front, with a personality in the Commander—Brig.-General Alex McDougall, C.B., Inspector-General—which was a great factor in success; Lieut.-Col. Gerald V. White, was Director of Timber Operations in Great Britain. In England they provided the vital war-force of 300,000 tons of sawn lumber a year for a time, and 5,000,000 tons of mining timber cut in one period of 12 months; Lord Derby in a letter to Sir Edward Kemp, stated in the Spring of 1918, that it was "largely due to the operations of the units of this Corps in France that we have practically stopped the shipment of British-grown timber to France, thus saving cross-channel tonnage while we are also enabled to save the shipment of foreign timber by having the production of the Corps in England to meet the various national demands." In July of this year it was stated that 40 of these Forestry Companies were then working in Great Britain and 60 in France with a total of 30,000 men employed and 100,000,000 feet of lumber delivered to the authorities at the Front up to that date.

As the correspondent in France of *Canada* put it on Mch. 23rd: "Over 3,000,000 feet of lumber is cut by Canadian Forestry Companies in France every day. At a glance these figures seem enormous, but an international expert in timber has estimated that 60,000,000 feet of timber is used every week on the Western Front. Those great areas in France where the Canadians operate are now handled altogether by men from the Dominion. The Imperial

authorities simply negotiate with the French for the purchase of a forest—and pay for it. It is cruised by a Canadian and cut and shipped by Canadians also. Straight from the Front comes the order for so many million feet of such and such a size, and the Canadian Director in France allots it to the different mills. They have never yet failed in the supply, and they have saved millions of tons of Overseas shipping by cutting it here within rail-haul of the trenches." In another direction Canadian experts, with some thousands of Canadian labourers, handled the largest wood factory in the world and turned out the manufacture of everything in wood needed by the Armies—turning the logs into duck-boards, gas chambers, rifle racks or frame beds.

General McDougall had the most whole-hearted admiration for his men and Harold Begbie quoted a story told by him: "After the German offensive in March the Army sent out a sudden demand for 40,000 tons of timber, wanted at once. Our boys were so keen they worked all hours God ever made (because it was for the men at the front), and they provided 30,000 of the 40,000 tons ten days before the date fixed for delivery. They can hustle, I tell you, when they've got a reason. One of our sawmills over here was designed to cut 20,000 feet of timber in ten hours. The actual performance in that time was 155,366 feet." From every direction came the demand for this essential of war and, while British imports were restricted by the needs of war tonnage the requirements were reduced, for instance in mining timber, by Canadian cutters, from 2¼ million tons to 500,000 tons—the difference being saved as a result of their labour. But timber was needed for more than coal mines; it was required for trench construction and dug-outs and war-mines, for pit-props and ships, for aerodromes and aeroplanes, for hutments, for axe and spade handles, munition boxes, for vans, cars, lorries, gun-carriages, etc. In the work in France much was due to a Canadian officer, who worked out the problem of water supply in a forest region which the French had abandoned for this reason, and which came to be a complete Canadian settlement doing splendid service for the Army.

Originating in the organization of the 224th Canadian Forestry Battalion, in April, 1916, as the result of a request from the Imperial Government, the forces developed into a Corps which eventually furnished 70 per cent. of the timber supplies for all the Allied armies in France and Belgium and included, at the time of the Armistice, 18,240 men in France, of whom 5,021 were German prisoners and 13,207 in England of whom 1,265 were Prisoners of War; some of the Canadian men trained also for the Infantry and, in the March, 1918, crisis, 800 were available for this service. As an illustration of action the following story of work at Speyside, Scotland, under Major C. E. Reynolds, D.S.O., M.C., is typical: "Certain difficulties were met with as a result of the lie of the land on Speyside. Forest and mill were separated by a valley of 2,260 feet in width, but the difficulty was overcome by stringing a 2-inch

cable from hill to hill. On each out-and-home trip made by the aerial transporter it carried a load of some five tons of logs, and did it in 18 minutes! In another connection Col. B. R. Hepburn, an assistant of General Stewart in England, conceived in 1917 the idea of helping the food shortage through the Corps producing the bulk of its own food and, within a year, he had 36 special farms under operation producing all kinds of grains and vegetables, food for men and animals, and raising horses, pigs, poultry and rabbits. Exact figures (official) as to the Corps showed that in England and France it produced from Jan. 1st, 1917, to Dec. 31st, 1918, 813,541,560 feet, B.M., of sawn material, 308,629 tons of round material, and 806,502 tons of slabs; it enabled Great Britain to reduce its total lumber imports from 11,000,000 tons in 1913 to 2,000,000 tons in 1918. On Oct. 11th it was announced that General Stewart had been made Director-General of Construction for the British Army.

The Railway troops, numbering nearly 15,000, did splendid service. Very many of them were trained in the great work of running engines over the vast spaces and mountains of Canada, sturdy, hard-grained, well-trained, steel-nerved men; stories of their cool bravery in all kinds of incidents on the extreme edge of the British front were many. In retreats they were always behind and often nearest the foe—bringing up wounded, destroying bridges, carrying away important munitions or supplies; in advances they were always in or near the front, laying lines, building bridges, making repairs, carrying men or supplies. The Corps was responsible, in nearly two years of the War, for the building of many light railways in the areas occupied by the five British armies and for the construction of most of the standard gauge lines radiating from the Channel ports to the actual war zones. In the Commons on Apr. 2nd, Sir Robert Borden read a cable from the War Correspondent at Headquarters in France, stating that in the great Battle of the past week most of the Canadian railway troops were in the battle area and close to the British line. One railway Battalion had rescued three heavy howitzers and loaded the big guns on trucks while the British infantry was holding back the Germans only a few hundred yards away.

In the Peronne sector another Battalion, after getting all its equipment and rolling-stock away, organized ambulance trains on such tracks as were left and carried out wounded. A great fight to save a big railway howitzer was carried on by another Company of these troops, which, after hauling it for 150 yards towards safety, were forced to destroy it; in no places where Canadian railway troops had to retire were lines and bridges left intact. All the first day from Arras to Ham the Battalion was rushing back rolling-stock and blowing up the line. Roland Hill told this story (May 9th, despatch): "In the defence of Marcelcave and the Nesle-Amiens railway line, one Battalion of Canadian railway troops, from York county, Ontario, went into the battle-line like veterans, and helped stave off the German advance for five days. From Mar.

27th, in spite of the fact that they had long marches and hard work in saving their construction equipment in the neighbourhood of Ham, this Battalion fought with the gallant 61st Division." The instructions during these terrible weeks were to "keep the lines clear, save the big guns, then destroy everything." One Unit came out of them with a D.S.O., 2 M.C's, 1 D.C.M., and 19 Military Medals; another took part with General Sandeman Carey's famous force in the defence of Amiens; at one point in the June fighting Canadian railway troops, working under machine-gun fire and within 600 feet of the enemy, removed 20 miles of standard rail track complete and relaid it in a new zone; in the Drocourt-Quéant battle these troops carried back over their lines 1,000 wounded men.

As time went on this army behind the army did absolute wonders in construction; so much so that when the Germans took breath for a new advance they were faced with new fortifications and armies backed by new railways and with fresh supplies. So, during the German retreats in the month of November, partly behind the retreating enemy and partly in the area evacuated, 300 miles of grade were repaired with a force of 16,763 men under Canadian direction. In this latter period of the War the Battalions worked in all parts of the British and even French lines. Dealing with these troops in an official report of September operations, Sir Edward Kemp described one Unit as reconstructing 72 miles of the main line track and building 18 timber trestle or girder bridges and 4 of steel-girder span, in the month; one of the rail-heads handled 74 trains in one day; another Battalion with the 3rd Army fitted in dug-outs and trenches, removed old barbed wire entanglements, built bridges from salvaged materials and worked from 7 a.m. to 8 p.m. These Troops were led by Brig.-Gen. J. W. Stewart, C.B., C.M.G., with Lieut.-Col. W. G. MacKendrick, D.S.O., as a well-known assistant and Director of Roads with 5th British Army.

The Medical Corps, or C.A.M.C., in its War-front field of action, in casualty clearing stations near the line, or in Hospitals scattered through France and England and in the East, did a work of which too much cannot be said. At Boulogne there were No. 2 Canadian Stationary Hospital and No. 3 Canadian General Hospital. Nos. 1 and 7 Canadian General Hospitals were at Etâples, as was, also, No. 9 Canadian Stationary Hospital. No. 2 Canadian General Hospital was at Le Tréport, not far from Dieppe, and Nos. 3 and 7 Canadian Stationary Hospitals were at Rouen. No. 10 Canadian Stationary Hospital was at Calais, No. 8 Hospital at Charmes, and Nos. 6 and 8 Canadian General Hospitals were in Paris. The four Canadian Casualty Clearing Stations or Hospitals, numbering 1 to 4, were moved from place to place as the military situation demanded. They were always situated within a few miles of the front line.

Of the work of this Corps as a whole the *London Times* stated on Oct. 18th that: "The splendid health in which the Canadian Corps has been maintained is due to the unceasing vigilance and

tireless efforts of the C.A.M.C., supported by a highly efficient system of baths and laundries. The bacteriological work of the Mobile Laboratory and the regulations rigidly enforced by the Sanitary sections contribute materially to this gratifying condition. It is estimated that 75 per cent. of the medical profession in Canada are engaged in some professional capacity in connection with the armed forces of Canada, either at home or overseas." Many changes took place in treatment, management and surgery work during the years of war and in all of them Canada was well to the front. At first the clearing stations were places largely for first aid to the wounded; eventually, and in order to save delay, many major operations were performed there and lives and limbs greatly conserved. At a Medical dinner in Edmonton on Sept. 26th, Lieut.-Col. C. L. Starr of this Corps, told the most marvellous stories of surgical operation. Instances were given where the chest had been opened, portions of dirt-laden clothing and parts of the missile and other extraneous matter removed, broken ribs joined, the pleural envelope sterilized and sewed up; in 30 per cent. of such cases healing of the wound was said to have taken place by primary union. Injuries to joints, the splicing of broken nerves and muscles were amongst the feats described.

Colonel G. E. Armstrong, M.D., who was Canadian representative on the R.A.M.C., stated at Montreal, (May 2nd) that one great development of the Canadian medical services was specialization. For instance, there had been serious trouble with thigh cases where the femur bone was broken or injured. No. 1 Canadian General Hospital, on the coast of France, was a special institution for these cases, the result being that hundreds of men who, under less expert treatment, might have suffered from a crooked leg all their life, were either restored sufficiently to return to the Army or, at least, to re-enter civil life without any very serious lameness. Apart from surgery, excellent work was done in the avoidance of epidemics or plagues, the treatments of typhoid and trench fever, in anti-tetanus inoculation, the general development of sanitation, chlorination, and bacteriological science. In 100,000 Canadian patients only one was found with typhoid fever and he had not been inoculated!

There were, in quiet times at the Front, during the days of trench warfare, an abundance of Medical men; in times of aggressive warfare, it was impossible to obtain enough. But they were always ready and often in personal peril. At times Doctors died at the doors of their "hospitals" while tending the wounded. Others saw their pill-boxes swept by enemy shell that exploded almost in the very door. Stretcher bearers often—six to a stretcher—toiled down muddy paths and up board walks for five and six thousand yards under shell fire, where a misstep might mean a muddy death. Those who carried the wounded often became wounded themselves before they reached the advanced dressing stations that marked the first point of wheeled traffic. There the ambulances came to help.

In times of battle the physicians and nurses and stretcher-bearers worked almost till they dropped; to work 48 hours under heavy shell-fire and gas attacks without rest, was not uncommon and Dr. Franklin Dunham won the M.C. for so remaining at his post 4 days; many Medicals obtained the M.C., or D.S.O., and many more earned it. Capt. G. W. Armstrong from Toronto, received the latter honour for dressing 117 stretcher cases in 27 hours and then going to the aid of a wounded officer on the field. There was no immunity for Hospitals or their ships—as the German air-raids at Etâples and Doullens in May, 1918, and the sinking of the *Llandovery Castle* with the escape of only six out of a Hospital *personnel* of 97, amply proved. As to the strength of the C.A.M.C., it may be said that on Aug. 10th, 1915, there were 378 officers, 535 Nursing Sisters and 3,620 of other ranks while on Nov. 30th, 1918, they totalled, respectively, 1,451, 1,886, and 12,243.

In Dentistry the Canadian Army Dental Corps led the way and Sir Auckland Geddes stated to the British Dental Association during May, 1918, that "the whole of the British forces have only a little more than twice the number of dentists belonging to the Canadian Dental Corps and, as regards organization and administration, the inferiority is equally manifest to those who are familiar with the details." Colonel J. A. Armstrong, C.M.G., was Director-General of the Corps and the value of its work to the health and stamina and *morale* of the troops was very great. Colonel Armstrong, in May, stated that his staff had already performed over one and three-quarter million dental operations, including French peasants, as well as soldiers, since the Unit was organized in May, 1915. Another specialization of the Dental Service was jaw treatment. After injuries were received on the battlefield these cases were drafted to the Ontario Hospital at Orpington, Kent, where a special staff of highly skilled operatives produced remarkable results. By the close of 1918 the Corps had performed 2,225,442 Dental operations.

Much might be said of the Engineers with their multitude of bridges—pontoon, trestle, heavy pontoon and heavy steel—erected under very trying conditions of haste and enemy fire, of rush materials and supplies, crowds of wounded men, ever-moving masses of artillery and troops. They had to deal with technical and practical subjects combined, such as roads, tramways, water-supply, mining, tunnelling, the supply and manufacture of engineering stores, construction of trenches, subways, mule tracks, *camouflage* for the guns, etc. The story of one fight on Sept. 27th, by a War correspondent, tells the tale of many another action of the Engineers: "The problem was to get the Infantry and the guns over the Canal in the face of enemy *barrage*, and to provide sufficient facilities in the way of roads, bridges, tramways, etc., which would insure the supply of ammunition for the guns being sustained, and the supply of stores, munitions and rations for the large number of troops engaged. As it was clear that the enemy's *barrage* would fall naturally on the Canal and be retained there, the following were

provided for: seven infantry foot-bridges of an unsinkable type; ten crossings for guns and horse transport, five of which had to be developed at once for heavy traffic even while the continuous stream of guns and ammunition waggons was pouring over them. Great was the preparation. Following were the results: Before zero hour 18 miles of roads had been repaired up to the front line and seven miles of tramways constructed. On these tramways over 3,000 tons of ammunition per day were being delivered to advanced dumps and gun positions. The huge concentration of horses was provided with the necessary water supply."

Brig.-Gen. W. B. Lindsay, C.M.G., D.S.O., was the efficient head of this great Service. The Corps tramways began when the light railways left off, and in their own areas were said to carry about 2,000 tons a day; the work also included the preparation of moving or moveable shelter for armies when advancing, or retreating, with accommodation for officers, men, horses, sanitary appliances, incinerators and water-supply; the Canadian Engineers also had charge of the Signal Service with its intricate system of wireless, telegraph and telephone communication, and of the anti-aircraft searchlight arrangements.

The Chaplain Service was brave, sympathetic and powerful for cheer and good-feeling. It controlled and guided the entertainment and recreation programme for the whole Corps. Food and cigarette canteens, coffee stalls, athletic supplies, games and matches were amongst the matters handled, besides religious services and funerals. Financially, between 1915 and March 31st, 1918, the Service received $3,450,091 and expended $3,122,153; during three weeks' operations around Passchendaele, as an illustration, the distribution included 1½ tons of coffee, 1½ tons of sugar, 2,500 tins of milk, 15,000 packages of biscuits, 100,000 packages of cigarettes, 60,000 sheets of paper and 1,000 newspapers, etc. The Director of the Service was Hon. Colonel the Rev. Dr. J. M. Almond, C.M.G., who had four assistant Directors and an establishment which numbered in March, 1917, 102 Chaplains of the Church of England, 53 Roman Catholics, 58 Presbyterians, 33 Methodists, 14 Baptists and 20 others. Ten more were afterwards added. Their ministrations on the battle-field, in hospitals, in camps and places of amusement or rest, were continuous and self-sacrificial with, also, a considerable elimination of denominational feeling.

Out of the 426 Chaplains who served from time to time in this so-called non-combatant Corps, 2 were killed in action, four died of wounds or other war-causes, and 21 were wounded on duty; during the later advances of 1918 about 20 Chaplains were selected to accompany the troops and they set a very fine example of steadiness under fire and bravery in their religious services. In England they did a great work in meeting the men from trains and in helping them when wounded or sick. Five Canadian clergymen won the C.M.G., 9 obtained the coveted D.S.O., 34 were awarded the M.C. for courage and devotion—altogether 103 were mentioned in Despatches

or granted Honours. Roland Hill (Aug. 29th) told this story of one of them: "The Chaplain of a mounted rifle brigade went over the top on the morning the attack began, with a party of stretcher-bearers. For hours he worked like a Trojan helping to carry out the wounded, ministering to their needs, and offering what encouragement he could to the dying. His example was an inspiration throughout the Brigade, for the rôle he was filling was quickly passed along the line. While he was binding up the wounds of a badly wounded man, a shell fell and burst near him."

Of miscellaneous services the Canadian Salvage Corps was an institution of great value and its duty was to collect and conserve all discarded articles, with a view to their return to military stores, and for disposal to the best advantage if unserviceable. In nine months, ending Feb. 28th, 1918, $211,000 was saved in this way. Canadian Labour Battalions were also organized for general construction and repair work behind the lines with availability, in part, for fighting during an emergency. Those so chosen were called Infantry Works Battalions. Equal to the greatest of War Services was the splendid Transport system between Canada and England initiated by Sir A. H. Harris, late of the C.P.R., and managed by him throughout the War. It should be stated that when the War broke out the Imperial and Canadian Governments were faced by no greater problem than that of assembling and transporting overseas the Army supplies from Canada. Lord Shaughnessy came to their assistance by loaning Mr. A. H. Harris, special traffic representative of the C.P.R., together with a large staff of traffic experts selected from various departments of the Railway, to act as a nucleus for the Overseas Transport Office.

The work of this office grew tremendously until Mr. Harris directed no less than four-fifths of the export trade of Canada, inland and overseas, and the best evidence that the work was well done was the fact that Government, railway and steamship interests were all satisfied, while the general business of the country continued with a minimum of disturbance. Between Aug. 14th, 1914, and February, 1915, War Office supplies were moved overseas in chartered vessels; after that time transports were supplied by the Admiralty under an arrangement negotiated by Mr. Harris in London. The bunkering of transports was done in Canada under the direction and supervision of the Director, as was the dry-docking of vessels when necessary. The volume of tonnage cleared from the seaboard was facilitated and delays minimized through recognition by the Presidents of the Canadian Pacific and Grand Trunk Railways of the growth of the Transport Service, and the need of concentration in authority for purposes of efficient direction. They issued instructions that the regulation and control, inland, of all Imperial transport were vested in the Director of Overseas Transport and ordered that all transport so consigned should be given priority of movement on the Railways over all traffic excepting passengers. Mr. Harris well deserved the K.B.E. which came to him in 1918.

Canadian Aviation in the War; Other War Services and Incidents

Apart from the great work of the Canadian Corps, the most conspicuous of the Dominion's War efforts were those of its Aviators. Yet they were unorganized, unrecognized officially, and did not constitute a separate unit; they had no centre from which to radiate enthusiasm and obtain support and win reputation—no Corps such as had won distinction for Great Britain or for Australia in the East. The young Canadian simply took to the air as the British did to the sea and by individual effort, voluntary action, and clever initiative, swarmed into the British service until both the Royal Flying Corps and the Royal Naval Air Service recognized a peculiar aptitude in the splendid work done by Canadians while fighting in the air with their British brothers. The Canadian Army Corps, with the other Canadian Services, was complete except in this one branch and there were plenty of aviators in the later years of the War to form Canadian Squadrons; but, for some reason or other, Sir Sam Hughes did not approve separate organization though from time to time much was done in Canada to encourage Imperial enlistment and to facilitate Imperial construction of machines and training of men; in the last months of the War Sir Edward Kemp took up the formation of a Corps and completed its organization. No official statistics were made public but by the end of the struggle it became well known that from 25 to 30 per cent. of the Royal Air Force were Canadians; the Canadian figures finally issued by the Overseas Minister were as follows:

Officers seconded or attached to the R.F.C., R.N.A.S., and R.A.F., up to December 31, 1918	1,239
Other ranks of the Overseas Military Forces of Canada transferred to the above from June 1, 1916, to December 31, 1918	2,721
Cadets enlisted in Canada by the Imperial Authorities and despatched to the above Services	4,280
Total	8,240

Officers under these conditions were in the main either (1) seconded to the Air Forces from the Overseas Military Forces of Canada, or (2) were non-commissioned officers and men discharged from the Overseas Military Forces in order to enter the Air Services, or (3) were Cadets enlisted by the Imperial authorities in Canada. In the first case, only, were they subject to Canadian Government action or recall. There were, of course, thousands of Cadets constantly in training who were not ranked in the above total as officers and at the time of the union of the land and sea Air forces in England, the total of all ranks stood at 13,495. These young Canadians and their British associates had to face a double danger—the new uncharted perils of the air when learning and the dangers from new, rapidly evolving and improving, but not yet perfected, machines, as well as the personal problem of nerves, health, accidents, which might dash the aviation student to death at any moment; all this, in addition to the perils of fighting the enemy at the Front. At first the enemy was met in the air with

one-man machines and an aviator armed only with a revolver; then came a carbine and then a couple of machine guns and by the close of the War a whole special armament with several men to look after the various lines of work which were carried on.

At first these included scouting, flying over the enemy lines and observation; then the Aeroplane developed into great engines of war with fighting and bombing in the air, raiding the enemy on the ground with machine and even heavier guns, moving 120 miles an hour and shooting 1,200 bullets a minute, destroying enemy balloons and blinding the eyes of the enemy forces while providing eyes for their own army, using scientific photography and making plans or maps from the air, utilizing telescopes, wireless and other inventions. The conditions of joining the Service were as follows: (1) Age—18 to 30, with men over 25 requiring special qualifications; Education—High School for 3 years or a special course; Health—absolutely medically fit according to standards: Pay—$1.10 per day during instruction with all necessary accommodation, uniforms, etc., *plus* 25 cents to 50 cents per day flying-pay and, when commissioned as 2nd Lieutenant, a total of about $5.00 per day. The term was 4 years, if the War should last so long, but not otherwise. The subjects for training included aerial observation, instruments, wireless, map reading, bombs and bomb dropping, aerial photography, aerial fighting, meteorology, engine construction, aeroplane construction, machine guns.

Training machines, in Canada, cost $7,500, Scout machines $10,000 and battle-planes $15,000 each. During 1918 there were fully 10,000 aviators under training in Canadian Camps—Borden, Leaside, Armour Heights, Deseronto, Beamsville and Hamilton—with Maj.-Gen. Charles Hoare in command of the R.F.C. for both Canada and the States. The union of the R.F.C. and the R.N.A.S. by the King's command on Mch. 7th, as the Royal Air Force, aided in the effectiveness of the Service and facilitated recruiting and training. As to this work in Canada certain information was given in the Commons on May 16th: (1) The percentage of accidents to the number of Canadian Cadets named to Mar. 31, 1918 was 3·69 fatal, 2·50 serious and 3·36 slight; (2) in cases of permanent injury the Imperial Government granted pensions and, so far, about 580 men had come out from England as experts to aid in the training—including 47 Canadians with experience.

The Toronto *Globe* and the *Star* and some other critical organs demanded Canadian control of these Aviation interests in Canada: they did not demand, however, that Canada should pay the expenses of training the men and supplying the machines and building the aerodromes! Nor was anything said about the difficulty of aeroplane timber in British Columbia where labour was short and the Imperial Munitions Board, which had this part of the work in hand, could only get 3,200 men in June, 1918, to supply an almost unlimited British and French demand for Coast timber. Later on, however, these and other journals did urge the organization of a Canadian Flying Corps. Meanwhile, General Hoare was quietly

and steadily at work and on Dec. 7th was able, in thanking P. D. Ross, Chairman of the Ottawa Aviation Recruiting Committee, for his services, to state that 2,538 trained pilots had been sent from Canada to the Front, while 552 were in Canada with training completed. When demobilization was in progress at the close of the year it was found that there were 3,923 air officers demobilized and 1,697 still on the strength with 4,392 Cadets demobilized and 373 on the strength.

What of the achievements of these men? They were little known until the fame of Bishop developed Canadian interest in Canadian aviators generally. Roy Brown of Carleton Place finished the career of the famous Von Richthofen but long remained unknown himself; Barker of Manitoba had 30 German machines to his credit before he was heard of; a score of others had records which would have rung through the United States had they been Americans and were far superior to those of Lufberry or Thaw whose names became household words in that country. It was a silent service like the Navy, it was not a part of the Canadian Military organization, it was under very necessary and strict rules of censorship for obvious reasons of personal safety as well as for general war reasons. Yet these men were "going over the top" almost daily after going through training dangers such as no soldier had to meet; they were, in the middle period of the War, helping to create an Air supremacy which depended upon their personal skill and courage and, for a long time, had to face superiority in machines and night after night almost certain death to protect British lines of communication, direct Artillery fire and obtain information; they were, in the last year of the struggle, at close and continuous quarters with a brave and desperate enemy and, back of the German line, even in Germany itself, were destroying poison gas plants, munition plants, railway terminals and blast furnaces. The British R.A.F. in these years fought 50,000 air battles, managed an infinite variety of new machines, established air supremacy and helped, indeed, to win the War. In this process the name of Lieut.-Col. W. A. Bishop, V.C., D.S.O. and Bar, M.C., D.F.C., etc., stood beside and then above those of Ball and McCudden, Fullard and Marnock, the great British aviators. With him, as the months of 1918 passed, other Canadians stood—not exactly upon a level but not very far away—and Collishaw, Barker, Rosevear and others came into their own as to rewards and public recognition. Colonel Bishop's record* was well summarized in the official reasons given for the award of the Distinguished Flying Cross on Aug. 3rd:

A most successful and fearless fighter in the Air, whose acts of outstanding bravery have already been recognized by the awards of the Victoria Cross, Distinguished Service Order, Bar to the Distinguished Service Order, and Military Cross. For the award of the Distinguished Flying Cross now conferred upon him he has rendered signally valuable services in personally destroying 25 enemy machines in 12 days—five of which he destroyed on the last day of his service at the Front. The total number of machines destroyed

*Note. The official record of the exploits for which Colonel Bishop received his Honours are given in the 1917 volume, page 540

by this distinguished officer is 72, and his value as a moral factor to the Royal Air Force cannot be over-estimated.

In October, 1918, he was made a Chevalier of the French Legion of Honour and awarded the Croix de Guerre—with Palm Leaf. Lieut.-Col. Raymond Collishaw, D.S.O., D.S.C., D.F.C., the Croix de la Couronne of Belgium and the Croix de Guerre of France—with 2 Palms, ran Bishop a close second and had 60 machines to his credit when the Armistice came. The official reasons given in September, 1918, for the award of a Bar to his D.S.O., indicate the kind of actions he fought: "A brilliant squadron leader of exceptional daring, who has destroyed 51 enemy machines. Early one morning he, with another pilot, attacked an enemy aerodrome. Seeing three machines brought out of a burning hangar he dived five times, firing bursts at these from a very low altitude, and dropped bombs on the living quarters. He then saw an enemy aeroplane descending over the aerodrome; he attacked it and drove it down in flames. Later, when returning from a reconnaissance of the damaged hangars, he was attacked by three Albatross Scouts, who pursued him to our lines, when he turned and attacked one, which fell out of control and crashed."

Perhaps amongst the many true but almost incredible stories, which are imbedded in these official records the one told of Major William George Barker, V.C., D.S.O., M.C., with 2 Bars, D.F.C., and the Italian Cross of Honour, was the most outstanding. Barker, in being gazetted in September for his 2nd Bar to the Military Cross was described as follows: "When leading patrols he, on one occasion, attacked eight hostile machines, himself shooting down two, and on another occasion seven, one of which he shot down. In two months he himself destroyed four enemy machines and drove down one, and burned two balloons." The description in his gazetting for a D.S.O., was even more striking: "His splendid example of fearlessness and magnificent leadership have been of inestimable value to his squadron." Latterly he was in Italy and became famous all over that country for dashing courage. But all these things appeared preliminary to the Homeric fight with more than 60 machines which won him on Oct. 27th, 1918, a V.C., and which was thus described in the official record of the Honour:

On the morning of Oct. 27th, 1918, this officer observed an enemy two-seater over the Foret de Mormal. He attacked this machine, and after a short burst it broke up in the air. At the same time a Fokker biplane attacked him, and he was wounded in the right thigh, but managed, despite this, to shoot down the enemy aeroplane in flames. He then found himself in the middle of a large formation of Fokkers, who attacked him from all directions, and was again severely wounded in the left thigh, but succeeded in driving down two of the enemy in a spin. He lost consciousness after this, and his machine fell out of control. On recovery he found himself being again attacked heavily by a large formation and, singling out one machine, he deliberately charged and drove it down in flames. During this fight his left elbow was shattered and he again fainted, and on regaining consciousness he found himself still being attacked, but, notwithstanding that he was now severely wounded in both legs and his left arm shattered, he dived on the nearest machine and shot it down in flames. Being greatly exhausted, he dived out

of the fight to regain our lines, but was met by another formation, which attacked and endeavoured to cut him off, but after a hard fight he succeeded in breaking up this formation and reached our lines where he crashed on landing. This combat, in which Major Barker destroyed four enemy machines (three of them in flames) brought his total successes up to fifty enemy machines destroyed, and is a notable example of the exceptional bravery and disregard of danger which this very gallant officer has always displayed throughout his distinguished career.

Such records illustrate the reckless yet skilful heroism of a born aviator. They were partially duplicated just as the wonderful stories of the Infantry or Cavalry or Artillery in the V.C., D.S.O. and M.C. records were over and over again duplicated in degrees of cool courage and natural leadership. Lieut. Alan Arnett McLeod of Stonewall, Man., won the V.C. at 18 for the following deed of concentrated courage: "Set upon at 5,000 feet above the earth by 8 enemy machines, he so manoeuvred his aeroplane that his observer was able to shoot down three of his assailants. Then, although wounded in five places himself, when his petrol tank was set on fire he climbed out on one of the planes and by tipping the machine in descent kept the flames at one side while he continued to control it so that his observer could continue the battle with the machine gun. Then, when he had brought his burning machine to earth in No Man's Land, and before dropping from loss of blood, he saved the life of his equally gallant observer, helpless from six wounds, by dragging him out of the flaming wreckage, and this too, under enemy fire." Arnet afterwards died at Winnipeg from Influenza. Flt.-Commander Stanley Wallace Rosevear, D.S.C. and Bar, of Port Arthur, would, if he had lived, have taken a place with the greatest. As it was he, had, single-handed, brought down 21 German airmen—in 11 consecutive days making a score of 10. A book might easily be filled with thrilling stories of similar achievements but these illustrations must suffice here with a small list, incomplete of course, of the more distinguished Canadian aviators of the year:

Name.	Honours Awarded in 1918	Place.
Lieut. R. D. Delamere	D.S.C.	Toronto
Capt. C. F. Falkenburg	Bar to D.F.C.	Quebec
Capt. W. A. Scott, D.S.C.	D.F.C.	
Lieut. F. E. Brown	M.C.	Winnipeg
Capt. F. G. Quigley, M.C.	D.S.O.	Toronto.
Lieut. H. J. Burden	D.S.O. & D.F.C.	Toronto.
Lieut. F. R. McCall, M.C., D.F.C.	D.S.O.	Calgary
Lieut. G. B. Foster	D.F.C.	Montreal
Lieut. W. G. Claxton, D.F.C.	D.S.O.	Toronto
Capt. D. R. McLaren, M.C., D.F.C.	D.S.O.	
Lieut. C. F. Anderson	D.F.C.	Calgary
Capt. J. W. G. Clark	D.F.C.	Toronto
Capt. J. L. M. White, D.F.C.	Bar to D.F.C.	
Capt. E. R. Tempest, M.C.	D.F.C.	Perdue, Sask.
Capt. H. Le Roy Wallace	D.F.C.	Lethbridge
Capt. K. F. Saunders, D.S.O.	A.F.C.	Victoria
Capt. S. W. Taylor, M.C.	A.F.C.	Vancouver.
Capt. J. S. Williams, M.C.	A.F.C.	Victoria
Lieut. W. A. Curtis, D.S.C.	Bar to D.S.C.	Toronto

Name	Honours Awarded in 1918	Place
Capt. A. Earl Godfrey	M.C. & A.F.C.	Vancouver
Capt. A. E. McKeever, M.C., D.S.O.	Bar to M.C.	Listowel
Capt. Alfred Atkey, M.C.	Bar to M.C.	Toronto
Lieut. Blayney E. Scott, M.C.	D.F.C.	Victoria
Capt. J. F. Chisholm, D.S.C.	D.F.C.	Montreal
Capt. J. L. Gordon	D.F.C.	Montreal
Capt. W. F. Cleghorn	D.F.C.	Toronto
Capt. E. A. McKay, M.C.	D.F.C.	Toronto
Major Robert Leckie, D.S.O.	D.F.C.	Toronto
Capt. A. L. Fleming	M.C.	Toronto
Capt. J. S. T. Fall, D.S.C. (2 Bars)	A.F.C.	Vancouver
Capt. Ian Macdonald, M.C.	A.F.C.	Winnipeg
Major James S. Scott, M.C.	A.F.C.	Quebec
Capt. Robert A. Little, D.S.O.	D.S.C.	Toronto
Lieut. Wilfred A. Currie, D.S.C.	Bar to D.S.C.	Toronto
Lieut. H. J. Arnold	D.S.O.	Ottawa
Lieut. Cyril B. Ridley	D.S.C.	Toronto
Capt. Arthur Roy Brown, D.S.C.	Bar to D.S.C.	Carleton Place.

There were hundreds of such Honours conferred and these few names are by way of illustration; most of them were won in France and Flanders and some in Italy; Major Robert Gordon, D.S.O., C.M.G., did signal service in the Ægean Sea, Lieut. Delamere served in East Africa, Capt. Fleming in Palestine. Meantime, there had been much discussion in Canada as to (1) the degree in which Canadians were appreciated and promoted in the Imperial Air Service, (2) the obligations of the Canadian people toward this comparatively unknown branch of War action and (3) the alleged duty of the Canadian Government to organize a separate Force. As to the first point *The Globe* of May 24th, put the issue as follows: "The Imperial organization did indispensable pioneer work, but Canadians have learned the flying trade, for which they have shown a wonderful aptitude, and are now fully competent to relieve the Royal Flying Service of its Canadian responsibilities. The present arrangement has revealed differences between Imperial and Canadian methods and points of view which make a change desirable." The Toronto *Star* (June 3rd) attacked the British system as precluding Canadians from promotion Overseas. What the differences were was not stated by *The Globe* nor was there any proof given by *The Star* as to promotion or lack of it.

The Ottawa *Journal* (June 6th) responded with these facts: "Now, what the Imperial Government has so far done is to offer commissions as British officers, with special extra pay, to 7,000 young Canadians who otherwise would be drafted as full privates into the Canadian Army. The conditions on which recruiting proceeds are that every candidate accepted as a Cadet shall receive training at Imperial expense with better than Canadian soldier's pay; and if a Cadet qualifies for flying work, he receives a commission as Lieutenant with special allowances added to pay which make the compensation nearly double that of an officer of similar rank in a Line regiment." Some exact data may be recorded here. A Canadian, Brig.-Gen. A. C. Crichtley, D.S.O., was appointed in

February, 1918, to be Commandant of the R.A.F. Cadet School in England which trained thousands of young men for this great Service; Lieut.-Col. G. C. St. P. de Dombasle was Commandant of the School of Military Aeronautics at Reading; Major F. V. Woodman of Winnipeg held the Imperial appointment of Commandant at R.A.F. Camp Everman in Texas, U.S.; Lieut.-Col. A. Hamilton Gault, D.S.O., was Commander of one of the four Divisional Wings of the British Air forces in France; Lieut.-Col. W. A. Bishop, V.C., was gazetted in September a General Staff Officer in the British Air Service; Lieut.-Col. H. C. Mayes was appointed Adviser to the Air Ministry on the physical and athletic training of the R.A.F. As to the Squadron or Wing Commanders, who corresponded to Battalion and Brigade Commanders in the Infantry, there were many Canadians and a few may be specified in addition to Bishop, Barker and Collishaw:

Major T. Douglas Hallam, D.S.C. (2 Bars)	Toronto
Flt.-Commander Herbert MacKenzie	Victoria
Flt.-Commander James Gray	Victoria
Lieut.-Col. W. Redford Mulock, D.S.O.	Winnipeg
Flt.-Commander Lloyd Breadner	Ottawa
Flt.-Commander A. H. Sandwell	Montreal
Flt.-Commander Frank McGill	Montreal
Flt.-Commander Alex. M. Shock, D.S.C., D.S.O.	Toronto
Flt.-Commander Basil D. Hobbs, D.S.C. and Bar	Sault Ste. Marie
Flt.-Commander J. E. Shearman, D.S.C. and Bar	Oak Lake
Flt.-Commander Cecil H. Darley, D.S.C. and Bar	Toronto

The feeling of the public as to this Service was too uneducated to be very specific but the Montreal branch of the Aerial League of the British Empire, of which Sir Herbert Holt was President, and the Aero Club of Canada, of which Lieut.-Col. W. Hamilton Merritt was founder and President, did good work in this direction, in helping recruiting, and in the contribution of aeroplanes to the Force. The latter body also aimed to promote all forms of aviation, to develop the science of aeronautics, to encourage the manufacture of aeronautic devices, to promote the holding of aviation conferences, to encourage and assist all who wished to take up Aviation in the current War. In April the Aero Club sent a Deputation to Ottawa, urging the Government to contribute two Squadrons to a proposed Canadian Wing of 5 Squadrons in the R.A.F.; the Montreal League took up the question of Commercial Aviation after the War and it, also, had the distinction of promoting an Aerial mail service between Toronto and Montreal with Capt. Bryan Peck carrying mails between the two cities, 330 miles, in six hours; on Aug. 15th, at 9 a.m., after correspondence lasting over a year, between Colonel Merritt and the Postal authorities, Lieut. Tsumper Longman left Toronto with a mail-bag, reached Ottawa at 2.50 p.m., returning on the 17th, in a trip lasting from 6.50 a.m., to 12.26 p.m.

Meantime, Colonel Merritt had obtained a charter for the Canadian Aviation Fund and the Aerial League had also been incorporated at Montreal. From this latter body a Deputation waited upon the Government on Dec. 10th, and offered evidence as to the

commercial use of aeroplanes. It was stated that the United States had been laid out in four great aerial highways, on two of which, aerodromes and landing places were being constructed, and it was claimed that with the existence of machines capable of carrying four tons and traveling aeroplanes capable of carrying twenty tons, the possibilities in a commercial way were great and obvious. It was declared essential to have aerial routes and safety regulations established. Hon. N. W. Rowell, for the Government, pointed out that the success of the Canadian Aeroplane industry, and the large amount of spruce supplied from British Columbia for the manufacture of aeroplanes on this continent and in Europe, had made it necessary to give the subject attention. Treaties were contemplated in order to regulate Air service between the various Allied nations, and they would be of value in regulating air navigation. The Government was, he said, heartily in sympathy with the objects of the League.

The attitude of the Government towards Aviation—apart from Sir Sam Hughes' personal viewpoint in earlier years—during the greater part of the War period was based upon its undoubtedly great expense and the natural absence of all expert footing for its Canadian establishment. The Imperial Government would have been glad to lend this aid but it had its own troubles in Air Force matters up to 1918; there were, also, obvious difficulties in the operation of two such Forces on the Western front. To withdraw Canadian aviators from the R.A.F. would have been a serious thing to do during most of the months of 1918. Canadian opinion, however, grew more and more favourable as the months of the last war-year passed and it was understood that the matter would be discussed when the Ministers went to England to take part in the War Cabinet and Conference; it was, also, claimed that Generals Sir R. Turner and Sir Arthur Currie approved the principle of a Canadian Air Force though there was no public expression to that effect.

In May Sir Edward Kemp announced that, after various negotiations, the Imperial Air authorities had agreed to certain conditions; in June these were approved by Mr. Premier Borden and his colleagues then in England; meanwhile, two Canadian squadrons were under organization as a nucleus for the new Force. On July 8th, 1918, arrangements were concluded between the Canadian Overseas Minister and the Air Minister (Lord Weir) along lines which were later confirmed at Ottawa by Order-in-Council as follows: (1) That authority be granted for the formation of a Canadian Air Force and of service units of such Force; (2) that further Service Units be formed from time to time as approved by the Overseas Minister and the Secretary of State for the British Air Force; (3) that the Canadian Force shall be part of the Overseas Military Forces of Canada and subject to the Militia Act of Canada and be under the same establishment as the R.A.F.; (4) that the Overseas Minister for Canada be empowered to take such action from time to time in this respect as he may deem necessary.

According to the agreement upon which this was based the squadrons were to be organized in England, in conjunction with the R.A.F., with a type of unit equipment decided by the Air Council; Canadian officers and other ranks could be transferred to the new Force upon recommendation and release by the Air Council—the former to be at once replaced by the Canadian Overseas Forces; the Canadian Government was to assist by provision of *personnel* with pay, and allowances, and supply, and reinforcements for Service Squadrons; the Imperial Air Council was to maintain responsibility for command and administration when in a theatre of war or under training in Great Britain. A Canadian Air Force Section of the Canadian General Staff was created for purposes of organization and a selection of officers made; the types decided upon were a single-seated scout squadron and a day-bombing squadron. At Ottawa on Aug. 8th, Hon. A. K. Maclean, Acting Minister of Naval Service, stated that the Naval branch of the new Air Service would be under direction of his Department and called for the enlistment of Cadets with an immediate and large response.

A month later the Minister of Naval Service (Hon. C. C. Ballantyne) stated (Sept. 5th) that: "Early in 1918, the Government considered that the formation of an Air Service for coastal defence was of vital and immediate importance to Canada, and, as it was felt that this service should be of a Naval character and should work in conjunction with the R.C.N., the matter was brought strongly before the notice of the British Admiralty. They were in complete agreement, and sent out an Airship officer, Flt.-Com. Barron, in March, 1918, to inquire into the general possibilities." Preliminary organization had been effected with the Director of Naval Services, Admiral Kingsmill. By Oct. 8th, the R.C.A.S. was said to have been completely organized with bases chosen and a number of Cadets (40) under training. The rates of pay were gazetted on Nov. 8th as follows: Flight-Lieutenant from $4.75 to $5.50 a day; Flight-Commander $7.00 to $7.50; Squadron Commander $8.00 and Wing Commander $10.00; Technical officers from $4.00 to $7.50. For non-commissioned officers and men the rates ran for probationary mechanics from $1.10 to $1.35 and for air-craftsmen and mechanics from $1.10 up to $3.75. In England it was understood that Colonel Bishop acted for some time as organizer and Director of the proposed Force and then Colonel Collishaw, while the following equipment was presented or offered to the Canadian Government in order to facilitate its action and help organization:

Donour	Aeroplanes
The Imperial Air Fleet Committee	3
The Overseas Club and Patriotic League	16
The Air Ministry (German Machines)	40
The Imperial Munitions Board	50
British Government (Bombing Machines)	50
British Government (Biplanes and Scout Fighters)	42

The Armistice unsettled the Government's policy in this connection and at the close of the year nothing was definitely known

as to the future. The R.A.F. in Canada was being demobilized and the press stated, unofficially, that the Naval Air Service would be discontinued; Hon. Mr. Rowell told a Deputation (Dec. 10th) that the Government appreciated the importance of Commercial aviation; a conference took place at Ottawa (Dec. 12th) and a National Aeronautical Advisory Committee was established to deal with the situation—the uses of aircraft, the utilization of existing *personnel* and the creation of aerial routes, etc. On Dec. 28th two great aerial highway routes across the Dominion from St. John's, Nfld., to Victoria, B.C., were announced with shorter ones as follows: Hudson Bay Airway from Winnipeg to Port Nelson; the Peace River Airway from Edmonton to Dawson City; the Dawson Airway from Victoria and Vancouver to Prince Rupert and thence to Dawson. Others were under arrangement.

Of miscellaneous War incidents and events of the year much might be said and ought to be recorded. The Canadians in these last months of fighting had to face portions of German armies commanded by three well-known generals—Von Hutier, Von Bülow and Von Bernhardi; Canadian special War inventions of the year which were in actual use included gas mask improvements by Lieut. C. Rosling, R.N., a Lewis magazine loader and improvements to the Colt machine-gun by Major H. R. Northover, M.C., O.B.E., a bomb dropper by Lieut.-Col. W. F. Kemp, D.S.O., a trench mortar sight and an aeroplane propeller by the late Capt. J. R. Ferris; well-known Canadians who lost their sons during the year included Maj.-Gen. Sir John W. Carson, K.C.B., W. A. Buchanan, M.P., G. B. Nicholson, M.P., Michael Clark, M.P., Hon. W. J. Hanna, H. C. Hocken, M.P., Hon. H. C. Brewster, Premier of British Columbia, Hon. G .P. Graham, Hon. R. Lemieux,—and there were many more; Brig.-Gen. V. A. S. Williams, who was wounded and captured by the Germans early in the War, was repatriated in 1918 and appointed G.O.C. Military District No. 3; two of Sir Clifford Sifton's sons—Major Victor and Major Clifford—won the D.S.O. in this year; the Rev. Dr. F. G. Scott, Canon of Quebec, who won the C.M.G., and D.S.O., for gallant Chaplain service, was seriously wounded in September, but eventually recovered. The more conspicuous Canadian officers killed in action, or who otherwise met death, during the year included the following:

Lieut.-Col. J. V. P. O'Donahue, D.S.O.	Montreal
Major Sidney S. Burnham, D.S.O.	Toronto
Lieut.-Col. J. C. T. Stewart, D.S.O.	Dawson
Lieut.-Col. James A. Turner, M.C., D.S.O.	Hamilton
Lieut.-Col. Charles T. Van Straubenzie	Toronto
Lieut.-Col. Fred. J. Dingwall	Winnipeg
Lieut.-Col. Bartlett McLennan, D.S.O.	Montreal
Lieut.-Col. A. E. G. McKenzie, D.S.O.	St. John
Maj.-Gen. Louis J. Lipsett, C.B., C.M.G.	Winnipeg
Lieut.-Col. P. E. Bent, V.C., D.S.O.	Halifax
Brig.-Gen. D. S. MacInnes, C.M.G., D.S.O.	Hamilton
Lieut.-Col. Samuel Sharpe, D.S.O., M.P.	Uxbridge
Lieut.-Col. John McCrae, B.A., M.D.	Guelph

The death of Colonel McCrae—from pneumonia in France on Jan. 28th—aroused the deepest regret in Canada where he had become famous by his wonderful Poem, *In Flanders' Fields*. At the time of his death he was a Consultant Physician to the British Armies; he had won reputation in his profession before writing what was, perhaps, the finest Canadian War-poem. Other British poets or men of letters had preceded him—R. E. Vernède, T. M. Kettle, Julian Grenfell, Rupert Brooke—but to Canadians he was the first and the last of that type to fall in the great War. Of the Honours awarded to Canadian soldiers of every rank and of many degrees of achievement, it is impossible to give here more than an indication. As a matter of statistics they exceeded 17,000 in number and included up to the end of the War 53 Victoria Crosses; 513 D.S.O.'s with 41 1st Bars and six 2nd Bars; 1,882 Military Crosses with 99 Bars; 1,186 Distinguished Conduct Medals with 16 Bars; 6,697 Military Medals with 271 1st Bars and 10 2nd Bars; 192 Royal Red Crosses, awarded chiefly to Nursing Sisters; 430 Meritorious Service Medals. Of Canadians mentioned in Despatches there were 3,333; of British Honours not purely Military in character, such as Knighthood, C.M.G., C.B., etc., there were 226 granted; of Foreign decorations given to Canadians, there were 410 French and a number of Belgian, Serbian, Italian, Montenegrin and Russian.

All Canadians serving in the theatre of War previous to Nov. 23rd, 1914, were entitled to the British medal—the Mons Star—and those who served between that date and Dec. 31st, 1915, were entitled to the British 1914-15 Star. The Gold Wound Stripe was issued to all Canadian ranks who had been wounded, gassed or shell-shocked in the presence of the enemy or for wounds, etc., resulting from Air raids in the British Isles. Chevrons for Overseas Service were also issued to Canadian forces with the date of leaving Canada as that of the first or red Chevron, and an additional one (blue) for every 12 months of continued service. Good Conduct Badges were awarded to all who served for two years in the C.E.F., with a second one on completion of five years' service; Silver War Badges were given to every member of the C.E.F. on resignation, or discharge on account of wounds, or sickness caused by service, or on reaching the age limit of 45 years. Not all the Honours, even the purely military ones, were given for personal bravery—except in the sense that every soldier and especially every volunteer soldier at the Front, in this War, could hardly be anything else than brave—and it was understood, for instance, that the D.S.O. was awarded to all the Commanders of Canadian Battalions on active service as a compliment to their Battalions and to their leadership. On Aug. 22nd, 1918, it was announced by the Army Council that in future the D.S.O., M.C., and D.C.M. would be awarded only for service in action. It was not necessary to make such a provision for the V.C. and the Canadian Corps winners of this great Order in 1918 were as follows:

Name.	Place of Enlistment or Home.
Capt. John MacGregor, M.C., D.C.M.	Vancouver, B.C.
Lieut. John Chipman Kerr, M.C., M.M.	Fox River, N.S.
Lieut. Milton Fowler Gregg, M.C.	Mountain Dale, N.B.
Lieut. Samuel Lewis Honey, D.C.M., M.M.	Walkerton, Ont.
Sgt. William Merrifield	Ottawa, Ont.
Major George Randolph Pearkes, M.C.	Victoria, B.C.
Capt. Christopher Patrick John O'Kelly, M.C.	Winnipeg, Man.
Sgt. George Harry Mullin, M.M.	Moosomin, Sask.
Cpl. Colin Barron	Toronto, Ont.
Pte. Thomas William Holmes	Owen Sound, Ont.
Pte. Cecil John Kinross	Lougheed, Alta.
Pte. James Peter Robertson	Medicine Hat, Alta.
Lieut. Hugh McKenzie, D.C.M.	St. Henri, Que.
Lieut. Gordon M. Flowerdew	Kamloops, B.C.
Lieut. George Burdon McKean	Lethbridge, Alta.
Cpl. Joseph Kaeble	Sayabec, Que.
Lieut. James Edward Tait	Winnipeg, Man.
Lieut. John Brillant, M.C.	Rimouski, Que.
Sgr. Raphael Louis Zengel, M.M.	Calgary, Alta.
Cpl. Herman James Good	Bathurst, N.B.
Cpl. Frederick George Coppins	Valcartier, Que.
Cpl. Alexander Brereton	Strathclair, Man.
Pte. John Bernard Croak	Glace Bay, N.S.
Pte. James Richardson	Chilliwack, B.C.
Sgt. Robert Spall	Montreal, Que.
Cpl. Harry Garnet Bedford Miner	Ridgetown, Ont.
Pte. (Lt.) Thomas Dinesen	Montreal, Que.
Lieut.-Col. Cyrus Wesley Peck, D.S.O.	Vancouver, B.C.
Lieut. Charles S. Rutherford, M.C., M.M.	Colborne, Ont.
Sgt. Arthur George Knight	Regina, Sask.
L.-Cpl. William Henry Metcalf, M.M.	Valcartier, Que.
Lieut.-Col. W. H. Clark-Kennedy, C.M.G., D.S.O.	Valcartier, Que.
Capt. Bellenden Seymour Hutcheson	Toronto, Ont.
Lieut. Graham Thomson Lyall	St. Catharines, Ont.
Pte. John Francis Young	Montreal, Que.
Pte. Walter Leigh Rayfield	Victoria, B.C.
Pte. Claude J. P. Nunney, D.C.M. M.M.	Ottawa, Ont.

Outside of the Corps, in other sections of the Imperial service, the V.C. was won by Canadians in 1918 as follows: Lt.-Col. P. E. Bent, D.S.O., Leicestershire Regt. (Halifax); late Capt. W. W. Stone, Royal Fusiliers (Toronto); Lieut. A. A. McLeod (Stonewall, Man.); Pte. R. E. Cruickshank, London Reg't. (Winnipeg); Lieut. R. Bourke, D.S.O., (Nelson); Major W. G. Barker, D.S.O., M.C., (Warren, Man.); late Lt.-Col. B. W. Vann, M.C., Notts and Derby Reg't. It is impossible here to record all the other Honours accorded Canadians, but reference can be made to a few cases such as the award of a 2nd Bar in the D.S.O. to Lieut.-Colonels J. A. Clark, Vancouver, W. W. Foster, Victoria, James Kirkcaldy, Brandon, W. S. Latta, Vancouver, L. F. Page, Langley, B.C., and Lieut.-Col. D. J. Macdonald, M.C., of the Canadian Cavalry; the grant of a Bar to the D.S.O. to Brig.-Generals J. H. MacBrien, C.M.G., V. W. Odlum, C.B., C.M.G., D. C. Draper, Edward Hilliam, J. M. Ross. The following Honours were chiefly granted for active service on the Field, but some were for services of an Executive or special character and in

relation to the myriad forms of public service which are given, and required, and recognized, in time of war:

K.C.B. Major-Gen. Henry Edward Burstall, C.B., C.M.G., D.S.O.
" Lieut.-Gen. Sir Arthur William Currie, K.C.M.G., C.B.
" Lieut.-Gen. Sir Richard E. W. Turner, V.C., D.S.O., K.C.M.G.
" Major-Gen. Samuel Benfield Steele, C.B., M.V.O.
C.B. Brig.-Gen. Huntley Douglas Brodie Ketchen, C.M.G.
" " Robert Rennie, C.M.G., M.V.O., D.S.O.
" " Fred. Oscar Warren Loomis, C.M.G., D.S.O.
" Colonel Arthur Edward Ross, C.M.G.
" Brig.-Gen. James Harold Elmsley, C.M.G., D.S.O.
" " Victor Wentworth Odlum, C.M.G., D.S.O.
" " Edward W. B. Morrison, C.M.G., D.S.O.
" Colonel Frederick Gault Finley.
" Brig.-General Alexander McDougall.
" Maj.-Gen. George Norton Cory, D.S.O.
" Maj.-Gen. Casimir Cartwright Van Straubenzie, C.M.G.
" Lieut.-Col. James Leigh Wood, C.M.G.
" Lieut.-Col. Charles Hamilton Mitchell, C.M.G., D.S.O.
" Maj.-Gen. William Alexander Logie.
" Maj.-Gen. Garnet Burk Hughes, C.M.G., D.S.O.
" Colonel Alexander Primrose.
" Maj.-Gen. W. C. G. Heneker.
C.M.G. Colonel John Stoughton Dennis.
" Lieut.-Col. William Hew Clark-Kennedy, D.S.O.
" " Arthur Henry Bell, D.S.O.
" " Charles Edward Bent, D.S.O.
" " James Sutherland Brown, D.S.O.
" " Raymond Brutinel, D.S.O.
" Colonel John Munro Elder.
" Brig.-Gen. Hugh Marshall Dyer, D.S.O.
" " William Antrobus Griesbach, D.S.O.
" " Frederic William Hill, D.S.O.
" " James Howden MacBrien, D.S.O.
" " Charles Henry MacLaren, D.S.O.
" Lieut.-Col. Howard Lionel Bodwell, D.S.O.
" Lieut.-Col. Edouard de Bellefeuille Panet, D.S.O.
" Colonel John Alexander Armstrong.
" Brig.-Gen. Ernest Charles Ashton.
" Colonel Kenneth Cameron.
" " George Septimus Rennie.
" " Wallace Arthur Scott.
" " Walter Langmuir Watt.
" Lieut.-Col. James Louis Regan.
" Lieut.-Col. John Andrew Amyot.
" Colonel Bernard Rickert Hepburn.
" Major the Rev. George Anderson Wells.
" Colonel Edward Bruen Worthington.
" Lieut.-Col. Donald John Armour, M.D.
" Colonel John Alexander Gunn, D.S.O.
" Lieut.-Col. Charles McEachran.
" Colonel Alleyn Zouch Palmer.
" Colonel John Grant Rattray, D.S.O.
" Brig.-General Henry Norland Ruttan.
" Brig.-General Lewis William Shannon.
" Lieut.-Col. William Waring Primrose Gibsone, D.S.O.
" Brig.-Gen. William Birchall Macaulay King, D.S.O.
" Lieut.-Col. George Eric McCuaig, D.S.O.
" Lieut.-Col. The Hon. Angus McDonnell.
" Colonel Arthur Evans Snell, D.S.O.
" Lieut.-Col. Andrew Lorne Hamilton.
" Lieut.-Col. Thomas Louis Tremblay, D.S.O.

Brig.-Gen. Henry A. Panet, c.b., c.m.g., d.s.o.,
Commanding 2nd Artillery Division, Canadian Corps.

Brig.-General J. S. Stewart, c.m.g., d.s.o., m.l.a.,
Commanding 3rd Canadian Artillery Division, 1918.

C.M.G. Major Everett Bristol.
" Major Furry Ferguson Montague.
" Colonel Frank Stanley Morrison, D.S.O.
" Maj.-Gen. Thomas Benson.
" " Willoughby Garnons Gwatkin, C.B.
" " William Egerton Hodgins.
" Brig.-Gen. Donald McDonald Hogarth, D.S.O.
" Colonel George Eli Armstrong.
" Brig.-Gen. James Lyons Biggar.
" Maj.-Gen. Harry Macintyre Elliot.
" Colonel Frederick Mondelet Gaudet.
" Brig.-Gen. Reginald John Gwynne.
" Brig.-Gen. Richard Alexis Helmer.
" Colonel Henry Campbell Osborne.
" Colonel Charles Noel Perreau.
" Colonel Frank Aspinall Reid.
" Hon. Lt.-Col. George Washington Badgerow.
" Colonel Harold Child Bickford.
" Colonel Malcolm Alexander Colquhoun, D.S.O.
" Colonel Stanley Douglas Gardner, M.C.
C.B.E. Lieut.-Col. Harry Woodburn Blaylock.
" Major the Rev. John Howard MacDonald, D.D., M.B.E.
" Lieut.-Col. Struan Gordon Robertson.
" Colonel Charles Henry Ludovic Sharman.

Of Foreign orders a large number were conferred upon Canadians. The Russian Order of the White Eagle was granted to General Sir R. E. W. Turner and the Orders of Ste. Anne and St. Stanislaus and St. George in various divisions to many officers and men of the Canadian Corps—presumably a certain number placed at the disposal of H. M. the King by the late Emperor before the Revolution and afterwards awarded upon advice. The Order of Danilo was given by the King of Montenegro to Brig.-General D. M. Hogarth, D.S.O., Colonel F. S. Morrison, D.S.O., and other Canadian officers; the Order of St. Sava of Serbia was given to Maj.-Gen. W. G. Gwatkin, C.B., Major-Gen. J. L. Biggar and others and that of the Crown of Italy was granted to Lieut.-Colonel C. H. Mitchell, C.B., C.M.G., D.S.O., for his services in that country; the Croix de Guerre of Belgium was conferred by King Albert upon Brig-Gen. H. G. Joly de Lotbinière, D.S.O., Lieut.-Colonel P. J. Daly, C.M.G., D.S.O., Brig.-Gen. J. H. Elmsley, C.M.G., D.S.O., Lieut.-Col. W. W. Foster, D.S.O., Colonel A. E. Ross, C.M.G., Major A. D. Carter, D.S.O., and others. The highest in rank of these decorations was, however, the French Legion of Honour, and it was conferred during 1918 upon a large number of Canadian officers such as Generals Currie, Brutinel, Foster, McDougall, Watson, Paterson, King; Colonels F. M. Gaudet, C. H. Mitchell, H. L. Bodwell, J. K. Cornwall, P. E. Blondin, Noel Marshall.

A word may be said here as to the special achievements of the 1st Division in the Canadian Corps. It took a great part in the three Battles of Amiens, Arras and Cambrai and its record has been given in a little volume introduced by the Commander of the Division—Maj.-Gen. Sir A. C. Macdonell. Space will not permit of more than a reference to the bare fact that its fighting strength at

Amiens (Aug. 8th-9th) was 452 officers and 11,072 other ranks; its casualties 170 officers and 3,148 men with 4,214 enemy prisoners captured, 82 pieces of Artillery and 210 Machine-guns. At Arras (Aug. 28th-Sept. 4th) its strength was 429 officers and 12,431 other ranks and total casualties 163 officers and 3,224 men; captured enemy prisoners were 4,019 with 59 pieces of Artillery and 235 Machine-guns. At Cambrai its strength was 419 officers and 11,861 other ranks and its casualties 209 officers and 3,764 men; its captured prisoners 3,264 with 87 pieces of Artillery and 145 Machine-guns. It was stated in the Booklet from which these figures are quoted—compiled by Capt. J. D. Craig, M.C.—that the total captures by British and Allied Armies from July 18th to Nov. 11th, 1918, were as follows:

	Prisoners	Guns
British Armies	188,700	2,840
French Armies	139,000	1,880
American Armies	43,300	1,421
Belgian Armies	14,500	474
Total	385,500	6,615
Captured by Canadian Corps from Aug. 8th to Nov. 11th, 1918	31,200	500

A most interesting matter which has been mentioned in preceding volumes and can be referred to again, was the number of Canadian families who sent all their sons to the War and in many cases the Father also. Before the writer is a list of 100 such cases of whom a few may be specified: John Long, Ottawa, 6 sons; Walter Fairbrother, Niagara Falls, himself and 5 sons; Mrs. Rogers, Toronto, and William Lloyd, Ville Emard, Quebec, each 7 sons; Colonel B. A. Scott, Quebec and Richard Hooper, Ottawa, each 5 sons; William Skevington, Toronto, 8 sons and J. G. Douse, Lefroy, 5 sons; Henry Turner, Springside, Sask., 5 sons and a son-in-law and James Jury, Brantford, himself and 6 sons; Mrs. C. A. Cooney and Mrs. Phoebe Amory, both of Toronto, each 6 sons; A. Mc. Creary, Vancouver, and O. E. Fleming, K.C., Windsor, each 5 sons; Mrs. John Jowsey, Aylmer, and Mrs. Fred Dermott, Montreal, each 7 sons; Mrs. E. J. Brewis, Regina, Mrs. Emma Wilkins, Quebec, Mrs. Annie McLeod, Gloucester, N.S., and Mrs. T. W. Spicer, Toronto, each 6 sons; Dennis Burke, Sackville, N.B., 7 sons and E. W. Peck, Bowen, B.C., 5 sons; Mrs. Sarah Underhill, Toronto, 6 sons and Mrs. Webb, Swan Lake, B.C., husband and 5 sons; Mrs. Jane Rule, 6 sons and Mrs. J. A. Reid, 5 sons—both of Toronto; Dr. Murdoch Chisholm, Halifax, 5 sons and one daughter; G. D. Campbell, Weymouth, N.S., 6 sons, of whom two won the M.C., two were killed and two wounded. Major G. S. W. Nicholson, M.C., of Victoria, had 6 brothers on service and 2 sisters with the C.A.M.C.; Maj.-Gen. J. H. Elmsley, of Toronto, had 3 brothers on service of whom one was killed. Prof. W. T. Broad, of Summerland, B.C., had three sons killed in action—one at Courcelette, one at Vimy and one in the 1918 battles. The Strathy and Jarvis families of

Toronto, with wide connections throughout the country, each had about 60 representatives on active service. Mrs. W. B. Lindsay of Strathroy had 5 sons on active service of whom one was a Major-General; Lieut. G. B. Jackson of Toronto and 4 brothers were all at the Front. Another phase of the War which has also been dealt with from year to year, and must be again briefly referred to, was the number of well-known Canadians who had sons at the Front. The following abbreviated list, taken from hundreds of names before the writer, may be added to those in other volumes.*

Lieut.-Col. A. M. Gordon, M.C.	Son of	Rev. Dr. D. M. Gordon	Kingston
Capt. J. C. K. Carson, M.C.	"	Maj.-Gen. Sir J. W. Carson	Montreal
Capt. L. P. Sherwood	"	Sir Percy Sherwood	Ottawa
Lieut. J. E. C. Hough	"	Stanley Hough, K.C.	Winnipeg
Lieut. Wm. Proudfoot, M.C.	"	W. Proudfoot, K.C.	Goderich
Capt. R. G. Rogers	"	Hon. R. Rogers	Winnipeg
Lieut. R. W. Buchanan	"	W. A. Buchanan, M.P.	Lethbridge
Lieut. L. W. Nicholson	"	G. B. Nicholson, M.P.	Chapleau
Major A. A. Aitken, M.C.	Brother of	Lord Beaverbrook	London
Cpl. Henri Garneau	Son of	Sir George Garneau	Quebec
Lieut. G. E. Robertson	"	Hon. G. D. Robertson	Ottawa
Capt. Percy Harper Wade	"	E. Harper Wade	Quebec
Lieut. F. C. Dobell	"	W. M. Dobell	Quebec
Col. J. F. Lash	"	Z. A. Lash, K.C.	Toronto
Sergt. R. V. Jones	"	Hon. W. P. Jones	Woodstock, N.B.
Capt. A. Burton Wilkes	"	Lieut.-Col. A. J. Wilkes	Brantford
Lieut. L. J. M. Gauvreau	"	C. A. Gauvreau, M.P.	Fraserville
Edward Dafoe	"	J. W. Dafoe	Winnipeg
Lieut. Roger Maillet	"	Dr. Gaston Maillet	Montreal
Maj. G. A. E. Bury	"	Sir George Bury	Vancouver
Fl.-Lieut. Keith Ewart	"	David Ewart, I.S.O.	Ottawa
G. P. B. Ashe, R.N.	"	F. W. Ashe	London, Eng.
George Hodgetts	"	Col. C. A. Hodgetts, C.M.G.	Toronto
Maj. Donald A. Galt	"	Mr. Justice Galt	Winnipeg
Lieut. W. R. May	"	Alex E. May	Edmonton
L.-Cpl. John A. Gunn	"	Sheriff Peter Gunn	Edmonton
Lieut. Beverly Abraham	"	C. A. Abraham	Vancouver
Capt. Charles L. Wallace	"	Late Hon. Clarke Wallace	Weston
Lieut. Irving Findley, M.C.	"	Thomas Findley	Toronto
Lieut. R. B. Murray	"	Hon. Robert Murray	Chatham, N.B.
Fl.-Lieut. W. A. W. Carter	"	Dr. W. S. Carter	St. John
Capt. W. C. Ross, M.C.	"	William R. Ross, M.P.P.	Vancouver
Lieut. Thomas S. Owens	"	T. P. Owens	Ottawa
Lieut. Charles L. Cantley	"	Col. Thomas Cantley	New Glasgow
Lieut. H. F. Birmingham	"	Late Robert Birmingham	Toronto
Maj. A. Charles Ruttan	"	Brig.-Gen. H. M. Ruttan	Winnipeg.
Lieut. K. S. Drummond, M.C.	"	Late John J. Drummond	Montreal
Lieut. W. V. Casgrain	Nephew of	Late Hon. T. Chase Casgrain	Ottawa
Lieut. C. S. Booker	Son of	Mayor Booker	Hamilton
Lieut. W. Erskine Buchan	"	J. S. Buchan, K.C.	Montreal
Capt. W. C. S. Upperby	Grandson of	Late Hon. J. S. Macdonald	Glengarry
Lieut. Hillyard Willoughby	Son of	Dr. J. H. C. Willoughby	Saskatoon
Lieut. James H. Carthew	G't. Grandson	Laura Secord	Wabamun, Alta.
Lieut. Langevin Cimon	Grandson of	Late Sir H. Langevin	Quebec
Lieut. Robert Dorion	Son of	Mr. Justice Dorion	Quebec
Lieut. Paul Gouin	"	Sir Lomer Gouin	Quebec
Capt. W. E. Morgan, M.C.	"	E. A. D. Morgan, K.C.	Montreal
Lieut. Æmilius Jarvis	"	Æmilius Jarvis	Toronto
Capt. M. Pope	"	Sir Joseph Pope	Ottawa
Major G. H. Aikins, D.S.O.	"	Sir J. A. M. Aikins	Winnipeg
Lieut. C. G. McLean	"	A. A. McLean, M.C.	Ottawa
Lieut. Allen McGregor	"	J. D. McGregor	Brandon

*Note. See also pages 290-1 1914 volume; page 221 1915 volume; pages 468-75 1916 volume; pages 545-8 1917 volume.

The Governor-General and Public Affairs

H. E. the Duke of Devonshire continued his careful administration of varied duties during the year. With the Duchess he paid an official visit to Washington on Jan. 9th, and attended a luncheon at the White House and a dinner at the British Embassy; he addressed the National Press Club on the 10th and told its members that the President's 14 points' speech to Congress was the "Magna Charta of Peace." At the first of the year His Excellency issued an appeal, as President of the Canadian Patriotic Fund, for more contributions from the people of Canada; on Jan. 21st, he attended a meeting in Toronto addressed by Sir F. E. Smith, British Attorney-General, and urged that city to give its usual enthusiastic support to the new campaign for funds. On Feb. 5th, the Duke was again in Toronto and addressed the Canadian Red Cross Society of which the Duchess was re-elected President; at the Parliament Buildings he distributed Imperial medals and decorations to the nearest relatives of a number of soldiers on active service. At Ottawa, on Feb. 28th, he welcomed the Women delegates from all over Canada who came to confer with the Government on war matters and, on Mch. 4th, joined by the Duchess as Red Cross President, made another public appeal for the Canadian Patriotic Fund; on the 15th His Excellency endorsed the Soldiers of the Soil movement and urged every healthy, active lad in Canada to help in production of food by work on farms or in gardens—a little earlier he had called on the Boy Scouts, of whose organization he was Chief Scout, to do similar work. Succeeding duties and incidents of the year may be summarized as follows:

Mch.	17	Montreal	Inspection of Drummond Hospital and Khaki Club.
Mch.	31	Ottawa	Unveiling of the War Memorial Tablet, Brittany Church.
April	12	Montreal	Opening of Soldier's Club.
May	3	Montreal	Visit to McGill University; opening of Y.M.C.A. Hut.
May	6	Peterborough	Reception of Address and official visit.
May	7	Toronto	Visit to Leaside Aviation Camp.
May	8	"	Presentation of medals to War veterans.
"		"	Inspection of Hart House and tour of Munition plants.
"		Whitby	Inspection of Military Hospital.
May	9	Lindsay	Official visit; Address to the Duke and speech to citizens.
May	25	Hamilton	Civic banquet to His Excellency.
May	27	"	Opening of the Canadian Medical Association meeting.
May	28	Niagara Falls	Official visit; Inspection Loretto Abbey and Canadian Club Banquet.
May	30	"	Official visit; Civic Address and Luncheon.

May	31	Niagara Falls	Inspection of Soldiers at Niagara Camp.
June	1	Beamsville	Visit to Aerodrome; Address read by Col. Hamilton Merritt.
"		St. Catharines	Official visit.
June	3	St. Thomas	Official visit; Civic Address and Luncheon.
June	4	Chatham	Official visit and Civic Luncheon.
June	5	Windsor	Official and popular welcome.
June	6	"	Review of 600 U.S. troops.
June	7-8	Sarnia	Official visit, with Governor of Michigan; Staff and State troops present.
June	10	London	Official visit; Address read by Mayor C. R. Somerville.
"		"	Review of 5,000 troops; Luncheon of Canadian and Rotary Clubs; Visit to Presbyterian General Assembly.
June	11	Woodstock	Official visit and welcome.
June	12	Kitchener	Official visit and welcome.
June	13	Guelph	I.O.D.E. Reception and Civic Luncheon.
June	15	Galt	Official and popular welcome.
June	17	Owen Sound	Welcome by 3,000 school children; Civic luncheon.
June	19	Orillia	Official visit.
June	21	Gravenhurst	Official visit.
June	27	Sherbrooke	Opening of Bishop's College School.
June	28	Ottawa	Review of Les Chasseurs Alpins of France.
June	29	Montreal	Review of U.S. Battalion.
Aug.	23	Winnipeg	Unofficial visit.
Aug.	24	Morden	Official visit.
Aug.	26	Grandview & Dauphin	Official visit.
Aug.	27	Winnipeg	Various functions.
Aug.	28	Rapid City	Official visit.
Aug.	29	Brandon	Official visit.
Aug.	31	Indian Head	Official visit.
Sept.	1	Regina	"
Sept.	2	Weyburn	"
Sept.	3	Moose Jaw	"
Sept.	4	Indian Reserve	"
Sept.	5	Saskatoon	"
Sept.	10	Chicago	Canada Day at Government War Exposition.
Sept.	14	Montreal	Blue Bonnets' Races.
Sept.	19	Toronto	Visit to Anglican Synod.
Sept.	26	Montreal	Visit to Lower Canada College.
Nov.	25	Toronto	Visit to Osgoode Hall.
Dec.	3	Fredericton	Civic Luncheon; Visit to University; State dinner and reception.
Dec.	4	St. John	Visit to Industries; dinner and reception; Address to Canadian Club.
Dec.	5	Charlottetown	Official visit.
Dec.	6	Halifax	Provincial Address and Canadian Club luncheon.
"		Dartmouth	Official visit.
Dec.	10	Truro, N.S.	Official visit.
Dec.	11	Antigonish, N.S.	"
Dec.	14	Newcastle, N.B.	"
Dec.	14	Chatham, N.B.	Official visit and Civic address.

During this year, as the above partial list, indicates the Governor-General visited every province excepting British Columbia; he was generally accompanied by the Duchess of Devonshire and the Ladies Blanche and Dorothy Cavendish; the Aides in attendance were either Lieut.-Col. the Hon. H. G. Henderson, Capt. the Earl of Minto, Lord Richard Nevill, or Capt. R. O. R. Kenyon-Slaney. Incidents of the year included the death in Washington on Oct. 13th of Capt. Angus Mackintosh, a son-in-law of Their Excellencies and, at the front, of Major the Hon. George Boscawen, D.S.O., A.D.C. to the Duke of Connaught when in Canada; the Governor-General's sweeping statement when in Chicago on Sept. 10th that: "During the last two years I have not seen or heard of a pacifist and, as far as I know, such a type does not exist in Canada"; the acceptance by the Duke of an honourary L.L.D. degree from the University of New Brunswick on Dec. 30th.

The Union Government; Work of Sir Robert Borden during 1918.

The difficulties of the Union Government during the first year or so of its official life were considerable but not nearly so great as those of a party government would have been under similar conditions. There was dissatisfaction everywhere because the cost of living was so high; organized farmers objected to the application of conscription to their sons, and organized labour to the regulations forbidding strikes in war-time; Liberals who did not support coalition remained discontented and Quebec was not in the best of humours with the Federal situation; the responsibilities of war remained a heavy burden and those of making peace promised to be equally trying. But the Government faced the country as a unit, furled any flags of internal difference which might exist, took hold of a number of big questions such as military service, war-time prohibition, civil service reform, railway nationalization, and handled them, upon the whole, with capacity and success, dealt with a large number of small issues with a minimum of friction and carried out most of its pre-election pledges.

The Borden Government, prior to Coalition, had done a good deal along war lines. It had raised, trained, equipped and sent abroad over 400,000 men and transformed a peace country into one of militant power; it had developed a financial administration of affairs which was admirable and an industrial expansion which meant much to the Allies and much to individual Canadians; it had developed an immense trade, established a War Purchasing Commission, a Pensions Commission, a Military Hospitals Commission and a Scientific and Research Committee which all did excellent work; it had secured tonnage for Canadian products at critical periods; it had avoided serious scandals and the coils of war conscription; it had overcome certain perils of race friction and difficulties of war-feeling.

The Union Government accepted the preponderance of good which it had inherited and was able to forget anything which had

caused trouble in the past or been a cause for party controversy. Its few months of 1917 were exceedingly active in policy and fruitful in national expansion along lines of finance and trade. During 1918 a steady stream of reinforcements was sent forward and the four Divisions kept at full fighting strength and in the highest efficiency; patronage in appointments was abolished and the whole outside Civil Service placed under the Civil Service Commission; patronage in the purchase of supplies by Departments was prohibited and the work placed under a Commission; Dominion-wide woman's suffrage was granted—a reform which its most ardent advocates had little hope of securing for a generation; Provincial prohibition was supplemented by effective Federal legislation which only a Union Government could have accomplished; a national shipbuilding programme was inaugurated and a policy of partial Railway nationalization adopted. This was a substantial record of achievement but there was still more. To it should be added the adequate taxation of war profits, and the increased taxation of incomes and luxuries; the creation of the Canada Food Board, War Trade Board and War Labour Board; increased Separation allowances and Soldier's pensions; a Land Settlement policy, and close working arrangements with the United States, with the appointment of a War Trade Commission; the creation of other bodies for looking after specific interests.

Under the War Committee of the Cabinet—Messrs. Rowell, Ballantyne, Doherty, Carvell, Sifton, General Mewburn, Sir G. Foster, Sir E. Kemp, with Sir Robert Borden as Chairman, and Mr. Rowell as Vice-Chairman—a considerable work in the co-ordination and development of war activities was carried on during the year. This Committee initiated proposals, planned the details and presented them in a state of workable efficiency to the full Cabinet for consideration; it was the opposite of the British scheme under which the War Cabinet was the real cabinet with full power and responsibility. Its five chief lines of action were (1) support to the Provinces in Prohibition matters; (2) the limitation of packers' profits to a maximum of 11%; (3) its creation of the War Trade Board for purposes of study and survey of business and trade conditions; (4) its formation of the Department of Public Information in order to keep the Canadian public informed as to the war events and their significance, with a War Lecture Bureau and its corps of five-minute speakers, and co-operation with the British Ministry of Propaganda. It also initiated various official consultations with important interests—Labour, Women, Steel and Iron. In an elaborate speech by Hon. N. W. Rowell at Bowmanville on Dec. 17th, 1918 he reviewed the war-work and policy of the Union Government at great length and a summary of his statement will be of interest at this point:*

1. We have fairly and impartially enforced the Military Service Act, and, notwithstanding all opposition, and all difficulties, we have secured 83,355

*Note. In most cases the Minister's words are used.

men as reinforcements for Overseas service and, in addition, 24,933 men were called up for service, but released on compassionate grounds, or for other sufficient reasons. We have thus been able to fully redeem our pledge to provide adequate reinforcements for our troops throughout the whole year. The increased strength of our fighting forces in France this year was not less than 20,000 men. Our Forestry and Railway Corps were also strengthened.

2. In addition to our effort in Europe, we organized and despatched a thoroughly efficient Expeditionary force to Siberia to co-operate with the Allies and to assist the Czecho-Slovaks and the Russian people who were courageously battling against Germany's effort to dominate and control Siberia as she controlled Western Russia.

3. In the matter of exemptions from Conscription it had been decided during November 1917, upon the facts then disclosed, that it was in the national interest that young men should be retained on the farm, or occupied in other essential war industries. In April, 1918, owing to the unexpected turn of events, and the critical situation created by the successful German advance, it was in the national interest that the exemptions should be abolished, and these men called up for Military Service. The Government recognized that such a course would be unpopular, that such action would create hostility; but a Government which failed to do its duty in the face of the grave peril menacing Great Britain and Canada and the cause of Liberty would have been unworthy of the confidence which the people of Canada and the troops serving Overseas manifested in that Government a year ago.

4. The Imperial Munitions Board, established with the approval of the Government, carried on a great war-work—silently and efficiently—with $1,100,000,000 expended in Canada by the Imperial Government, between 600 and 700 plants engaged and from 250,000 to 300,000 workers employed. This involved the development of a trained body of industrial leaders and skilled workmen for succeeding days of peace.

5. While the farmers largely increased their production of food, the consumers, through the creation and work of the Canada Food Board, conserved large quantities of food and thus increased the exportable surplus.

6. During the year the Government embarked upon a national shipbuilding programme. Over 40 steel vessels for Government account are now under order, and the total estimated programme for this year and next aggregates $60,000,000.

7. The Government pledged itself that wealth would be conscripted by taxation of war profits and increased taxation of income. This pledge also has been carried out. The Business War Profits Tax has been continued and broadened so as to include large numbers of industries which were hitherto exempt from its operation. The Income tax has been greatly increased and the taxation of luxuries—jewelry, automobiles, etc.—made a special matter.

8. We have increased the Pensions for our soldiers and their dependents; we have also increased the separation allowance to the wives and dependents of our soldiers in the Canadian Expeditionary Force. We are making generous provision for a war gratuity for our soldiers upon their discharge. We have created a Department of Soldiers' Civil Re-Establishment, and plans and policies have been worked out for re-establishing the soldier in civil life. A Soldiers' Land Settlement Board has been appointed and plans have been worked out under which suitable land will be acquired for settlement by the soldiers, and the soldiers will be aided in establishing themselves on the land.

9. We have dealt with the difficult and complicated trade situation, growing out of the War, so as to maintain our industrial efficiency and our domestic and foreign trade. This has been possible through the creation and work of our War Trade Board, our Canadian War Mission at Washington and our Canadian Trade Mission in London.

10. We have completed the purchase of the Canadian Northern Railway and consolidated all the Government-owned railways under a Board of Directors of business men who will operate the roads in the national interest. We have placed the operation of the new Government steamships under this Board, so that Canada will own and operate one of the greatest transportation

systems in the world. We have declared in favour of the Government ownership and development of the great water powers in the St. Lawrence River, which will mean so much to the industrial life of Canada.

11. We have prohibited the importation, manufacture and inter-provincial trade of intoxicating liquor for the period of the War and one year thereafter. We have abolished patronage in appointments to the public service by extending the Civil Service Act to the Outside Service. We have also abolished patronage in the purchasing for all Departments of the Government.

12. The Government has taken part, through its Prime Minister and other members, in the Imperial War Cabinet and Conference and in preparing the work of the Peace Conference.

During the year part of the Cabinet was in England attending the Imperial War Cabinet and Conference or war meetings in France; in September and October Messrs. Burrell, Mewburn, Carvell, and Reid visited the West and spoke at most of the centres; at Ottawa there were many temporary changes in portfolios and, during Sir Robert Borden's absence from time to time, the Hon. C. J. Doherty, Sir Thomas White, Sir George Foster and Hon. N. W. Rowell acted, in turn, as Prime Minister. There was in the country no strong feeling for or against the Union Government; it was accepted as the best solution of a difficult situation and Sir Robert Borden as the wisest and best available leader of a Government in Canada; the Opposition did not appreciably grow in strength during the year but it, of course, drew to itself some of the inevitable elements of discontent which surround all Governments; toward the close of 1918 indications were apparent of a desire in some quarters, and an intention in other directions, to make the Unionist party a permanent political entity. It may be added that on the same day that Mr. Rowell was speaking in Bowmanville, Sir Thomas White, acting Prime Minister, issued a statement reviewing the year's work of the Union Government and specifying some matters not referred to by the President of the Privy Council:

1. The valuable results of the National Registration in June and their usefulness in the coming work of Reconstruction.

2. Increased agricultural production through the Government's campaign of education and the allotment of $25,000,000 to meet the Housing requirements of the period.

3. The power given to municipalities to investigate and deal with the local cost of living with a view to regulating excessive profits.

4. The appointment of a Canadian Board of Adjustment to arrange labour disputes amongst railway men and creation of a Labour Commission of Inquiry composed of employers and employees.

5. Completion of the C.N.R. purchase and consolidation of all Government-owned railways under a Board of Directors composed of business men.

6. Appointment of a Power Controller to regulate the production and distribution of power for war and other industries.

Sir Robert Borden's Policy in Canada. The Premier remained during 1918 the cautious, respected and tactful master of the political situation; his responsibilities were great, his difficulties obvious but the slowly accumulated results of his new administration of affairs developed in clear outline as the year passed on. After a three weeks rest in the South, the Premier returned to Ottawa on Jan. 10th and an important Cabinet Council was at once held,

while a statement was issued denying the alleged conscription of labour but stating that some action, for the sake of both industries and farms, was necessary; a little later a Conference was held to discuss the subject. At this time, also, upon the Premier's recommendation and with the consent of the Imperial Government, a Canadian War Mission was appointed at Washington. Lloyd Harris, a well-known manufacturer, was Chairman and the policy was to maintain close co-operation between Canada and the United States in respect of (1) economic and financial measures growing out of the war; (2) the growing demands in both countries for increased production; (3) the urgency of transportation problems on sea and land; (4) the necessity for harmony in war regulations of all kinds between the two countries. The other members were F. A. Rolph of Toronto and Ross H. McMaster and A. H. Scott of Montreal. On Nov. 8 Mr. Rolph succeeded Mr. Harris as Chairman. The Mission was, in the main, to act under the Prime Minister and in close conjunction with the British War Mission to the United States. During the year the Mission was able to secure $100,000,000 worth of orders for munitions from the U.S. Government: it also helped in providing supplies for American war purposes.

At the close of February, Sir Robert Borden himself was in Washington conferring with Earl Reading, British Ambassador, Lloyd Harris, of the Canadian Mission, Sir Charles Gordon, Vice-Chairman of the British War Mission, and various American officials. He was accompanied by Hon. A. K. Maclean, W. P. Gundy and F. P. Jones, and the exchange situation, with Canada's trade balance and the use of Niagara Falls electric power, were the chief subjects of consideration. During his visit Sir Robert saw Mr. McAdoo, Secretary of the Treasury, B. W. Baruch of the War Industries Board, Vance McCormick of the War Trade Board, and others; Sir J. W. Flavelle of the Imperial Munitions Board and Sir F. Williams-Taylor of the Bank of Montreal were also in consultation with the Premier. On his return (Mch. 4th) the latter described his mission as successful with an agreement arrived at as to War prosecution and co-operation.

Meanwhile, on Feb. 15th he had issued a Memorandum defining the Government's policy in mobilizing the man-power and woman-power of the country through a system of Registration; during the succeeding debate on the Address (Mch. 19) Sir Robert referred at length to this Board—its establishment and work; a little later legislation was passed providing for the appointment of a Secretary of State for External Affairs—a Portfolio which the Prime Minister assumed—a Ministry of Soldier's Civil Re-Establishment to which Sir James Lougheed was appointed and a Department of Immigration and Colonization which was filled by the Hon. J. A. Calder. On Mch. 21st the Premier told the House that Sir Thomas White would be absent for some time owing to ill-health and that the Hon. A. K. Maclean would be acting Minister of Finance.

At the beginning of the memorable German drive, Sir Robert on Mch. 25th, cabled Sir Arthur Currie as follows: "The Canadian people are watching with intense interest the supreme struggle in which the Allied armies are now engaged, and they have perfect confidence that the Canadian forces, when called upon to take their full part, will maintain the splendid traditions of the past three years." At the same time the Premier asked Parliament to vote a $500,000,000 Credit for the further conduct of the War—which had already cost Canada $835,000,000—and this was approved without opposition; while he also issued a call to the People of Canada (Mch. 28) to adopt and follow up the wishes of the Food Board: "Mere perfunctory observance will not be enough; the crisis is grave and urgent beyond possibility of exaggeration, and it will only be through an earnest sense of individual responsibility that Canadians will be able in this matter to honour their obligations."

The Premier was not in favour of immediate railway electrification and so intimated to a Hydro-Electric Delegation on the 21st; he did not see his way to compulsory employment of enemy aliens on a general scale and so told the Great War Veterans' Association in March. On Apr. 25-27 Sir Robert was in Washington and New York on, presumably, financial business and was interviewed at length by the New York *Sun*; to this journal he stated that Quebec troubles had been exaggerated, that every able-bodied man would be conscripted and that the spirit of Canada was "patriotism incarnate." The Government received on May 3rd a Delegation of farmers protesting against the abolition of the practical exemption of farmer's sons from Conscription, declaring in many and varied ways that these young men were essential for war production, and urging the Government to maintain its alleged pledges in this respect. The Premier's reply was explicit: "I have been twice in France, at the front, and I cannot bring myself to stop short at any measure to give our soldiers the support that they deserve. We talk of hardships and sorrow here in Canada; we have had hardships, and God knows, too much sorrow, but we have no conception of what is going on in France at the present time. Production is absolutely essential, and a most commanding duty of the Government is to see that it is carried on. But if we waited for further exemptions and our men were decimated and destroyed what kind of an answer would it be to say we had increased production?"

On May 14th a great delegation of 5,000 farmers swept down upon the Capital and used every political and personal effort to compel a change of Government policy; they even asked and were refused permission to wait in a body upon Parliament; they came, in the main, from Ontario and Quebec—*The Globe* estimate being 3,000 from the former and 2,000 from the latter Province, with a few representatives of the Maritime Provinces and the West; they were led by the Hon. J. E. Caron, Minister of Agriculture in Quebec, L. T. Pacaud, M.P., and 14 members of the Quebec Legislature, together with Manning W. Doherty, W. A. Ames, and other leaders

of the United Farmers of Ontario; they contended that if exemptions were cancelled it would reduce production by 25% and maintained that production was a paramount war essential and that the Government was breaking its solemn pre-election pledge in this respect. To the ordinary politician it was an imposing and alarming demonstration representing a class of 1,000,000 persons; Sir Robert Borden treated the issue with firmness and precision. After pointing out that the Order-in-Council of Apr. 20th removing exemptions had been approved by Parliament, he referred to the greatness of the crisis and to a need for reinforcements which was greater than any need for production:

I know that of which I am speaking when I tell you that if the Channel Ports should be reached through the breaking of our line it would be, to say the least, problematical whether any of this production would be made of service to the Allied nations overseas or to our men who are holding that line. I regard it as the supreme duty of the Government to see to it that these men are sustained by such reinforcements as will enable them to hold the line. You speak of solemn covenants and pledges. Do you imagine for one moment we have not a solemn covenant and a pledge to those men?

In other direction, on May 9th, Sir Robert had to deal with war policy and told a Toronto deputation, in respect to that City's harbour works, that Government work in harbours had been cut down over $1,000,000 in two months by the Ministers of Railways and Public Works; that construction had been stopped on the Welland Canal, the Hudson's Bay Railway, and at St. John, as well as Halifax; that "this cutting down will have to be increased if we are to maintain our effort in the War." In the Commons on May 15th Sir Robert announced the Government Railway policy and reviewed the difficult transportation issues of the day. As to the C.N.R. he said: "We do not intend to operate the C.N.R. system directly under a Department of the Government; it is our intention to operate it for the present through the corporate machinery by which it has been operated in the past. There will be a reconstituted board of Directors. We shall endeavour to get the best men we can and we shall not interfere with them. We shall leave the administration and operation of that road to be carried on absolutely under that Board of Directors and we shall use every means available to the Government (and if necessary, we shall come to Parliament for that purpose) in order that anything like political influence, political patronage, or political interference—I am using the word political in its narrower sense—shall be absolutely eliminated. The Government also has under consideration the question as to whether it may not be possible in the immediate future to bring the Transcontinental Railway, which is the property of the people of Canada, and the Intercolonial and Prince Edward Island Railways, which are also the property of the people of Canada, under corporate management." Upon another important matter he was explicit:

It seems if we take over the Grand Trunk Pacific, that practically involves the taking over of the Grand Trunk Railway as well. I am of the opinion for

this chief reason, that the Grand Trunk Pacific and the Canadian Northern, both in the West, if acquired by the Government, would otherwise lack eastern connections, and the Canadian Pacific Railway would dominate the whole situation. In the second place, the Grand Trunk might have a great deal of difficulty in carrying on unless it should be released from its obligations to the Grand Trunk Pacific. Further than that, while the present condition of the Grand Trunk is not prosperous for many reasons, some of which doubtless it could not control, I believe that it would have reasonable prospects for the future if amalgamated into one system with the Canadian Northern and the G.T.P. I would further emphasize the consideration that, while the Grand Trunk cannot carry out the obligations necessary for its retention of the Grand Trunk Pacific, on the other hand it has no bright future prospects without that connection.

In view, however, of the fact that a considerable part of the Grand Trunk Railway lay in the United States, with two great terminals in the West and one in the East, the difficulties of acquisition and control were great and must depend upon negotiations—which as yet were confidential. It was understood that Messrs. Reid, Meighen, and Calder would have charge of further discussions. An interesting development of a debate on May 16th was the following statement by the Premier as to Divorce: "In four of the Provinces, I believe—the Maritime Provinces and British Columbia—jurisdiction has hitherto been exercised by the Courts in respect to the grant of Divorces. So far as I know, jurisdiction is now asserted in Manitoba, Alberta, and Saskatchewan. It would be a very desirable consummation if these matters could be referred to the Courts. It is obvious to every one, who is familiar with divorce proceedings as conducted in the Senate, and in the Courts, that public interest is much better conserved by having such matters dealt with in a judicial way. I venture to express the hope that if jurisdiction has been asserted by the Courts in the three Western provinces, it may transpire that their decision is well founded. It may also be proper for this House to consider whether by some means the jurisdiction could be transferred to the Courts of the other provinces of Canada."

In July and August the Prime Minister was in Great Britain and on his return at the end of the latter month the Cabinet dealt with questions involving (1) the more complete defence of Canada's coasts in view of recent submarine attacks and the consideration of a general Naval policy as discussed in London with the Admiralty; (2) a policy of the better mobilization of National resources and further reinforcements for the Front; (3) the Railway problem and the Industrial situation and prevalent labour unrest. To a Labour day audience at Toronto on Sept. 2nd, Sir Robert declared that up to Mch. 31st last, Canada had despatched Overseas 364,750 men, and of these more than 227,000 had been classed as "workingmen." He urged unity of public action and private work: "The nation's effort is the sum of the individual effort. In all the annals of history there never was a war like this; every ounce of power, every atom of human energy, of skill, of mechanical and applied science, of natural resources, is being thrown into the scale. Sub-

tract from the national effort what you will by controversy, by division, by discord; by so much have you weakened the national purpose and the national endeavour." He dealt with Labour troubles and urged co-operation between employers and employed: "How shall nation join with nation in schemes of arbitrament for enforcing the peace of the world if within the nation itself these important but minor difficulties between employer and employed cannot be settled without industrial war?" On Oct. 29th the Prime Minister made an earnest appeal to the people for Victory Loan support:

> Canada's purpose has never been more gloriously maintained than during the past four months, in which our forces have been in the forefront of attacks that are still hurling back the hosts of the Hun and freeing humanity from the menace of cruel and relentless militarism. The final effort cannot be sustained unless the Nation makes ample provision for those who fight its battles. For that purpose the latest Victory Loan is placed before you. The labours of our people at home have been abundantly rewarded and the national prosperity has never been more fully assured. You are asked to lend in order that your country may keep inviolate its pledges to those heroic men who have gone forth from our shores to fight for our liberties and who, under the sternest test, have never shrunk from even the last sacrifice. You have before you both a compelling duty and a great opportunity of service. In any effort necessary to win this war you have never faltered; I am supremely confident that you will not fail now.

Following the Armistice of Nov. 11th and the departure of the Premier for England and France to share in the Peace Conference, Sir Thomas White, as acting-Premier, sent messages of congratulation on behalf of Canada to H.M. the King regarding "the triumphant vindication of those principles of justice and freedom upon which rest the secure foundations of the Empire" and to the Rt. Hon. D. Lloyd George, British Prime Minister, the Governors-General of India, Australia, New Zealand, South Africa, the President of the United States and the King of the Belgians. The King's reply was significant: "The outbreak of the War found the whole Empire one. I rejoice to think that the end of the struggle finds the Empire still more closely united by the common resolve, held firm through all vicissitudes—by the community of suffering and sacrifice—by the dangers and triumphs shared together. The hour is one of solemn thanksgiving and of gratitude to God." Other incidents of the year included the publication in London of a summary of Sir Robert Borden's war speeches compiled by Percy Hurd and showing a strong strand of consistent thought throughout; the election of Sir Robert as Chancellor of McGill University, Montreal, in succession to the late Lord Strathcona and a personal note realized in the naming of a new town in P. E. Island after the Premier; his successful personal intervention in several serious strikes and the curious attacks of a part of the Liberal-Unionist press upon him for remaining so long in London during the summer.

Sir Robert Borden's Policy in England. During these war-years and even more so in 1918 the Canadian Premier was

a factor in Empire and world politics; his views and advice upon war policy and action were avowedly sought and highly considered in London; his place in the Imperial War Cabinet and Conference and in Paris consultations was recognized as serious and responsible. The proceedings of the Cabinet and Conference are dealt with in the Empire section of this volume but some consideration must be given here to the Premier's work in that connection, and his general view of Imperial problems. Sir Robert sailed from New York to England on May 26th accompanied by the Hon. N. W. Rowell, the Hon. J. A. Calder and the Hon. Arthur Meighen, and was welcomed in London on June 8th. He at once commenced a series of conferences with British Ministers and Dominion delegates—Mr. Lloyd George, Lord Milner, the Chancellor of the Exchequer, Sir Edward Kemp, General Smuts, being amongst the first with whom the situation was discussed.

Then followed the opening meetings of the 2nd Imperial War Cabinet and War Conference and constant attendance at one or the other with consultations upon all kinds of subjects going on between the meetings. Purely social functions were eliminated but there was so much desire to hear and meet the Overseas delegates; such vital issues developed from day to day in which they and their Dominions were concerned; so sincere was the desire to pay tributes of some kind to Colonial leaders and Dominion war-aid; that it was impossible to avoid a certain number of luncheons and dinners—to say nothing of visits which permitted a better and more confidential discussion of public questions. As the London *Telegraph* put it on June 10th: "To have them among us, moving in our midst and sharing the innermost councils of the British Cabinet, is at once a stimulus and an inspiration." The following list of meetings, etc., in which the Canadian Premier was concerned may be given to illustrate his public duties:

June 9. Commemoration Service for Overseas sailors and soldiers of Scottish origin.

June 11. Luncheon by Mr. Lloyd George; 1st meeting of Imperial War Cabinet.

June 12. 1st meeting of Imperial War Conference; Dinner by Sir Edward Kemp.

June 15. Middle Temple Dinner to the British Premier.

June 16. Visit to Canadian Convalescent Hospital at Epsom.

June 18. Received in Audience by H.M. The King.

June 19. Conference with General Turner and other officers; also with Sir W. Beardmore of Glasgow, as to proposed shipbuilding yards in Canada.

June 20. Luncheon by H.R.H. the Duke of Connaught; Dinner by Sir George Perley. Conference with Mr. Premier Hughes of Australia and General Smuts of South Africa.

June 21. A supper given by the Empire Parliamentary Association to the Prime Ministers of the Dominions; British Parliament's presentation to the Premier of a new Mace for the Canadian Parliament.

June 22. Visit to Canadian Officers Hospital at Matlock.

June 23. Visit to Canadian War establishments in Derbyshire.

June 24. Luncheon with Mr. Balfour, Foreign Secretary.

June 26. Further conference with the Foreign Secretary.

June 27. Conference, accompanied by Messrs. Calder and Meighen, with the Grand Trunk Board.

June 30 to July 5. Spent in visiting the Front, meeting and addressing the soldiers, inspecting arrangements, consulting the Commanders.

July 6. Visit to the C.R.S. Hospital at Cliveden.

July 9. Royal dinner at Buckingham Palace.

July 12. Address at Dinner to Canadian Press representatives given by Lord Beaverbrook.

July 13. Dinner by Lord Mayor (Sir Charles Hanson, M.P.) to Overseas representatives.

July 18. Luncheon to the Maharajah of Patiala and Sir S. P. Sinha—India's delegates at the Imperial Conference; received in audience by H.M. the King.

July 19. Visit to Witley, Bramshott, and Trensham Camps.

July 24. Freedom of Cardiff presented to Canadian Premier and H.H. the Maharajah of Patiala.

July 25. Dinner of British Newspaper Conference to Melville Stone of the Associated Press.

July 27. Visit to Canadian hospitals at Basingstoke and Windsor.

July 29. Conference of Ministers of British Dominions with Sir Robert Borden at the Savoy Hotel.

July 31. Luncheon by Sir Robert Perks. Address at Victoria Workingmen's Club.

Aug. 1. Address at Canada Club Luncheon—Duke of Connaught in the chair.

Aug. 4-5. Visit of Prime Minister to Grand Fleet accompanied by the Hon. C. C. Ballantyne and General Mewburn.

Interspersed in the midst of these few typical engagements were the personal visits of leaders associated with all kinds of war movements and interests and the many meetings of the War Cabinet. It was understood in this connection that the Prime Minister would not attend all the meetings of the Imperial Conference, that Mr. Rowell would assist him in the Cabinet and that Messrs. Calder, Mewburn, Ballantyne and others would be the regular Delegates to the Conference. At some of the functions mentioned above Sir Robert Borden made important addresses. At the great Parliamentary banquet—not great in the old-time sense of rich and rare viands but great in its guests and speeches—he dealt with Canada's part in the war and spoke of Empire unity as follows: "In the purpose of our visit here tonight I see, perhaps yet dimly, the first signs of that new order which shall make of us a veritable Commonwealth of Nations, marching side by side to a greater and more glorious destiny, and which, linked with the other free nations, shall ensure to the world forever peace, justice and liberty." It was significant that the publication at this time of a small volume of speeches delivered by the Canadian Premier on War and Empire topics evoked a chorus of appreciative comment from the British Press with full recognition of his position as the *doyen* of Dominion statesmen. On June 30th Sir Robert issued a Dominion Day message on the eve of leaving for France:

Another anniversary of Canadian confederation comes to us in these solemn days, but finds our Dominion strong and resolute in its purpose, standing side by side with other nations of the Empire in the world welter. In this supreme struggle, moreover, it finds Canadians confident in the ultimate com-

plete triumph of the Allied cause. The purpose of the enemy was to attain a decisive victory by the relentless and cruel use of the Submarine. That purpose has failed. He held command of the air, but we wrested it from him. In each instance the best brains of the Empire were employed, and the lessen need not stop there. Now Germany hopes to attain her end by striking with full force while Russia is helpless and before the power of the United States can be expected. We believe this hope will prove equally vain. France and Britain bar the way. Canadians hold Canada's first battle-line and their country bids them godspeed in their glorious endeavour.

In France the Premier had an eventful time. The Army celebration of July 1st was a remarkable one and the Duke of Connaught and Sir Robert were given a great reception at a vast open-air meeting within sound of the guns and with Canadians present from all over France. Sir Robert visited Vimy Ridge, blood-red with poppies hiding the ravages of war, and with his colleagues toured the Army Divisions, addressed troops parading in Brigade order on July 2nd, and at other dates and places, visited many branches of the Services, and presented President Poincaré at Paris with a fully-equipped Hospital erected by the Canadian Red Cross and conducted by a Lavel University unit. On July 5th the Prime Ministers of Canada, Australia, and New Zealand, with some other Ministers, attended a session of the Supreme Allied War Council at Paris and were thanked for the services of the British Dominions. At the Mansion House dinner in London after his return Sir Robert declared that it was impossible for Canada to take any other part than she did in this War, because she was one of the free nations of a great British Commonwealth and because the purposes for which the struggle was undertaken were in her opinion just and righteous. The loudest cheers of the evening were evoked by his statement that "the people of Canada will not be satisfied with any inconclusive or indecisive peace."

Speaking on July 31 (Sir R. Perks' dinner) he dealt with the Imperial War Cabinet at length. When the Ministers from the Dominions had arrived in London, they were confronted by an enormous mass of documents partly covering the deliberations of the War Cabinet and its conclusions since May, 1917. New developments had since come and fresh problems arisen: "Further determination regarding future action was required on very grave matters, some of which intimately concerned the Dominions' interest in the disposition of their troops and the future conduct of the war, and these were still demanding and receiving consideration and attention. The part played by the Ministers of the Dominions in the deliberations had been very real." He concluded with an important reference to Labour conditions: "If we in the British Commonwealth aspire to that great ideal so devoutly to be wished for (Peace and Arbitration) ought we not to so arrange our affairs between employers and employed, between Government and people, that industrial disputes or labour difficulties shall not paralyze or impede a nation's effort? Unless we show ourselves possessed of such firmness, moderation and self-control as will make this possible

there cannot be confident hope for the nobler ideal which would command the peace of the world."

A reference must be made here to the curious agitation which developed at this stage in a section of the Liberal press of Canada—both Laurier and Unionist in politics—for the return home of the Prime Minister. He was needed here, it was said, the Imperial War Cabinet was not and could not be responsible in its decisions, the place of the Premier was at home and not in England. The first to express this line of thought, prominently, was the Hon. Rudolphe Lemieux, M.P., the Opposition leader's chief colleague from Quebec who said in an interview at Quebec on July 13th that: "We are now living in a period of political anarchy. While great problems need to be settled at home, while during war a country needs its leaders, Canada sees its Ministers traveling from place to place instead of remaining at home to look after its destinies." The Toronto *Star* followed on the 26th: "The Conference should be arranged so as not to interfere with the more pressing business of Ministers in their own homes. Our Ministers should insist upon that and they should now say, in a friendly but firm manner, that Canadian business requires their presence here."

To this journal (July 27th) the Imperial War Cabinet was simply a glorified conference and of little purpose; to those in England who created it the idea was to give Dominion statesmen a voice in the control and guidance of the War as representing the external Empire in the Cabinet. Despatches followed from London and explanations from Ottawa as to the critical condition of war and peace, the presence of the Empire's ablest men in London, the desire of the Imperial Government for their help, the usefulness of Sir Robert Borden's personal sagacity and political sanity. Mr. Meighen, who arrived home at Ottawa on July 25th, stated that: "The Prime Minister is being strongly pressed to remain for some time yet. He is personally anxious to return, but the view of his associates in the War Cabinet, both from the United Kingdom and from Canada, is that he should continue his work there, at least for a short time." It was announced on Aug. 8th, in a semi-official Ottawa despatch, that the Imperial War Cabinet was composed in 1918 of the following:

Rt. Hon. D. Lloyd George.	Rt. Hon. Sir Robert Borden.
Earl Curzon.	" W. M. Hughes.
Rt. Hon. A. Bonar Law.	" W. F. Massey.
" Austen Chamberlain.	" J. C. Smuts.
" George N. Barnes.	" Sir W. F. Lloyd.
Viscount Milner.	Hon. Newton W. Rowell.
Rt. Hon. A. J. Balfour.	Rt. Hon. Sir Joseph Cook.
" E. S. Montagu.	" Sir J. G. Ward.
" Lord Weir.	Hon. Sir Henry Burton.
Rt. Hon. W. H. Long.	The Maharajah of Patiala.

The Rt. Hon. Sir S. P. Sinha.

Speaking of the need for the Premier's presence in England, Mr. Rowell, on his return, told a Port Hope meeting (Aug. 15th)

that he was there because duty to Canada and the wishes of his colleagues required it; at Orono, on Aug. 24th, he explained that "owing to Canada's position as the largest and oldest Dominion, her Prime Minister stood next to the Premier of Great Britain at all Imperial gatherings while in the important and momentous meetings of the Imperial War Cabinet he spoke the sentiment of all his colleagues with moderation and a force which compelled the respect and recognition of all." Then came Sir Robert Borden's explanation of the improved status given to Canada and the Dominions through the Imperial Cabinet idea and the admission by the Toronto *Star* on Oct. 8th that: "As soon as we learned of this plan of logically advancing from Conferences at stated periods to a consultative Cabinet in permanent existence and directly active at all times, without intermediaries, we endorsed it with a heartiness surpassed by no journal in the country." Meanwhile, on his return to Canada Sir Robert Borden had issued a statement at Ottawa (Aug. 24th) reviewing his work in England and especially that of the Imperial War Cabinet*—so far as it was permissible to do so. The following decisions were quoted:

1. The organization of the Canadian Army to be independent of the British Army, except so far as the supreme command of Sir Douglas Haig and Marshal Foch was concerned—the internal management of the Canadian Army to be entirely under Canada.
2. Canadian Air Force to be decided upon and to co-operate with the Canadian Army; Canadian airmen, who form a large part of the British Air Force, to have special recognition as Canadians.
3. A Canadian Siberian Expeditionary Force to go to Vladivostok and co-operate there with the Japanese and Americans.
4. Further war preparations to be made, of such a nature as cannot be made public, but which would ensure the certain triumph of the Allies.
5. Closer unity of action, not only between the Allies but between the various parts of the Empire.
6. Plans made for co-operation in the utilization of the resources of the Empire in carrying on the war—in minerals, food, lumber, etc.

As to his other work, he said: "I took up with many Departments of the British Government questions which could not be effectively or thoroughly dealt with by correspondence. Among those with whom important subjects were discussed I may mention the War Office, the Admiralty, the Ministry of Shipping, the Ministry of Food, the Ministry of National Service, the Ministry of the Air Force, the Ministry of Munitions and the Board of Trade. The organization of the C.E.F. both in Great Britain and in France, and more effective co-operation with the Department of Militia and Defence were also discussed at several conferences with Sir Edward Kemp. Very useful progress was made and valuable results attained. The work of the Imperial War Conference covered a great variety of subjects and in some instances definite and final conclusions were reached; in other cases Committees representing Great Britain and the self-governing Dominions and India were set up with authority to investigate and report; in other cases Resolu-

*Note. See also Empire section, pages 162-5.

tions were passed containing representations to the Governments concerned."

Following the Empire events came the questions of world policy to be settled at the Peace Conference which must soon be held. Canadian opinion was general that Sir Robert Borden should be a delegate; how, was not worked out nor was full consideration given to the British leaders who must be there or to the full difficulties of Dominion representation. There was no question, however, as to the British desire to have him in Paris or as to the need of his presence in London for preliminary preparations when victory approached and the Armistice was concluded. At the urgent request of the Imperial Premier Sir Robert again left for England in November to attend a 3rd Session of the Imperial War Cabinet and was accompanied by Sir G. E. Foster and the Hon. A. L. Sifton, with the Hon. C. J. Doherty following later; with the Ministers were various experts, officials, or representatives of special interests such as L. G. Christie of the Department of External Affairs; Lieut.-Col. O. M. Biggar, Judge-Advocate-General; F. P. Jones, Chairman of the War Trade Board; Dr. J. W. Robertson of the Canada Food Board; Lloyd Harris, Chairman of the Canada War Mission to London; P. M. Draper, Secretary of the Trades and Labour Congress.

During preceding weeks Sir Robert had been in close and constant touch with the British Prime Minister as to current negotiations and was met, personally, by Mr. Lloyd George at a London station on Nov. 18th together with a representative of the King and a guard of honour. To the press Sir Robert issued a statement concluding with these words: "The problems that lie before our country in common with other Britannic nations are quite as momentous as those which we faced during the War, and are perhaps even more difficult. Our people will face them with the same courage, resolve, and confidence as sustained them during these weary years of war." Succeeding days were spent in a whirl of interviews, conferences and meetings of all kinds with a perfect maze of problems to consider. The objects sought were (1) to formulate, in close co-operation with the Imperial Government and other Dominion leaders, a British basis for the Peace Conference; (2) to deal with the great trade issues involved in the approach of peace and the relations of the Empire with its Allies and the enemy; (3) to develop the schemes for demobilization already partially arranged. On Nov. 14th Sir Robert and his colleagues were present in the stately Royal Gallery at Westminster when the King addressed to visiting officials of his Empire and to the peoples whom they represented an inspiring Message with a reference to "those splendid troops which eagerly hastened to us from the Dominions Overseas, men who showed themselves more than ever to be bone of our bone, inheriting all the courage and tenacity that have made Britain great." At this time also Sir R. Borden sent a message to General Currie and the Canadian Corps:

Your major task is finished, completely and triumphantly. Never have men had greater reason for honest pride of achievement than the soldiers of Canada; never has a country had more just cause for pride in her sons than our Dominion. Liberty and right are once more vindicated, and in that fulfilment, especially in the last decisive period of the struggle, Canadians have shared in the foremost posts of honour. The Canadian Army Corps has been selected to share with the other armies of the Britannic Commonwealth a further post of honour in the task of securing the fruits of victory. You will acquit yourselves on this mission, as in the past, with honour to yourselves and to your country.

The Imperial Government then dealt with the problem of Dominion representation at the Peace table. Each of the Dominions desired and demanded it; from all Empire standpoints Borden, Massey, Hughes, Botha and Lloyd deserved it; the British Government sincerely wished it. But only five Delegates were to be appointed by each of the Great Powers; if the British Empire included one from each Dominion, it would double Britain's representation or leave the United Kingdom out altogether, which was unthinkable; the easiest solution appeared to be the selection of one Dominion statesman with the other four directly representing Great Britain. Eventually British power and influence so dominated in the Peace arrangements that under a so-called compromise all the Dominions took part as separate countries while practically acting as an Empire unit. Before this was settled, however, some unpleasant things appeared in the American cables to Canada *via* the United States and some unnecessary protests were expressed.

Meanwhile, the Canadian Ministers, with their staffs, had been given offices at Whitehall Gardens and were busy organizing Canadian peace interests and after-war conditions—Sir George Foster and Mr. Harris dealing with trade, Mr. Sifton and Sir Edward Kemp with shipping, immigration and transport, Mr. Doherty with varied legal and constitutional issues. In this Canadian Mission R. J. Younge of Montreal represented industrial interests as well as Messrs. Harris and Jones, while Mr. Draper represented those of Labour. On Dec. 23rd the Admiralty, with approval of the Dominions, announced the approaching departure of Admiral Viscount Jellicoe of Scapa, O.M., G.C.B., G.C.V.O., on a tour of the Dominions, for the purpose of advising their Governments in Naval matters. This policy was based on a Memorandum drawn up by Sir R. Borden and subscribed to by the other Dominions, which suggested a series of Navies, built and administered by the Dominions under a system of close co-ordination with the Royal Navy: "It is thoroughly recognized that the character of construction, armament and equipment and the methods and principles of training, administration and organization, should proceed upon the same lines in all the Navies of the Empire. For this purpose the Dominions would welcome visits from a highly-qualified representative of the Admiralty who by reason of his ability and experience would be thoroughly competent to advise the Naval authorities of the Dominions in such matters."

Incidents at the close of the year included a Dinner given by the Prime Minister to the President of the United States at which Mr. Wilson sat on one side of the host and Sir R. Borden on the other; there was also, continued attendance of the Canadian Premier at the Imperial War Cabinet. On Dec. 31st, Sir Robert issued a Message to the people of Canada, describing the great issues involved in the coming Peace Conference and their relation to the present and future interests of Canada: "The approaching Peace Conference must in the first place address itself to the establishment of a new world order of peace. That proposal is confronted by difficulties and complexities which it is almost impossible to overestimate. So to control the material and territorial ambitions and jealousies of nations that their power and influence shall be held in trust for the common purpose of maintaining the world's peace, and of punishing lawlessness or aggression by any recalcitrant State, is a task of almost incredible difficulty. Attendant upon the task are a score of questions not easy of solution, and involving economic, financial and territorial considerations, each of sufficient magnitude and intricacy to engage the full attention of the approaching Council of Nations. . . . I have been closely occupied with my colleagues in deliberation respecting the conditions of peace and in preparation for the approaching Peace Conference." It may be added that Cambridge University, on May 31, 1918, conferred its Hon. degree of LL.D., on Sir Robert Borden.

The Union Government: Work of the Ministers and War Commissions

During 1918 the Hon. N. W. Rowell, President of the Privy Council, was conspicuous for his advocacy of Government policy and his support of the Unionist principle. As a leading Liberal he was the object of some attack; as an uncompromising Prohibitionist he met with criticism in other quarters. But his opinions were clearly and sometimes strongly expressed and this the public liked. Early in January, as Acting Prime Minister, Mr. Rowell replied to a cable from Mr. Lloyd George and declared that the Government rejoiced that Canada had been "privileged to play her part in the struggle of democracy against autocracy and in up-holding the Mother Country in this world-wide conflict"; on Feb. 23rd he addressed the Toronto Y.M.C.A. regarding Canada's War effort, and laid special stress upon the work of the Imperial Munitions Board with its 500 plants and $875,000,000 of expenditure and $10,000,000, additional, spent on Aeroplane plants.

In the Commons on March. 19th, he was bitterly attacked by Hon. Charles Murphy, a Laurier-Liberal and a Roman Catholic Irishman, who did not measure his words in defence of French-Canadians against some alleged criticisms by Mr. Rowell or as to other utterances in the Conscription controversies of 1917. His statements were personal, political and sectarian—one much quoted reference being a declaration that Sir J. W. Flavelle and Mr. Rowell had "commercialized Christianity." He denied that Mr.

Rowell had been a sincere follower of Sir W. Laurier before the War; repudiated any statement that Quebec had not risen to the War emergency and defended French priests who had found an asylum in that Province. Mr. Rowell did not reply at the moment —deeming the personalities too obvious and extreme and greater issues too critical to make it necessary; but when the War was over he took up the charges in his Bowmanville speech of Dec. 17th, and replied to them in order. He frankly admitted that he had disagreed with Sir W. Laurier upon more than one occasion but always subject to thorough discussion with his leader. Upon the point of Conscription and Sir W. Laurier, he was explicit: "It was only after the fullest and frankest discussion and repeated conferences with Sir Wilfrid, extending not only for weeks, but for months, in which it became evident that agreement was impossible, that a group of Liberals from the different Provinces agreed to the formation of a Union Government." It may be added here that Mr. Rowell was Vice-Chairman of the War Committee of the Cabinet and in the Premier's frequent absences was really its head. Speaking of this in the House on Mch. 19th, Sir R. Borden said: "I am nominally Chairman, but the labours have very largely devolved upon him. I do believe the country owes him a debt of gratitude for the enormous amount of work which he has accomplished in so short a time and for his services to the public."

After a strenuous Session of Parliament, Mr. Rowell was in London during June and July as a member of the Imperial War Cabinet; his work in that connection was exacting and continuous. In an interview on June 24th he declared that the most impressive thing in England was "the magnificent manner in which the country is standing the strain of war"; in another interview he eulogized Lord Beaverbrook and the business shrewdness of administration which he had shown during their intercourse. He spoke at a few meetings and when he did so made a distinct impression; but practically the whole of his time was devoted to War Cabinet work with some visits to the Conference where he strongly supported the proposed Imperial News Service and endorsed the view that (1) an adequate News Service should be available in all parts of the British Empire and (2) that it should be supplied through British sources. Lord Beaverbrook, as Minister of Information, submitted a Memorandum which appeared to meet the views of Mr. Rowell and in which this statement was made: "Lacking a completely centralized Executive, the British Empire is largely dependent for united action on a similar and simultaneous movement of opinion in all its parts. How can this be depended on if each part is limited in its knowledge of the conditions and swing of opinion in the others through an insufficiency of news? Furthermore, in so far as this constitutional weakness is to be remedied in the future, it can only be done by the breaking down of an extreme sentiment of locality which nurses a rigid independence. Nothing but news, which is knowledge, of other parts of the Empire can soften the extreme rigidity of this local sentiment."

At New York on his return (Aug. 4th) Mr. Rowell stated his chief impressions to be (1) the general recognition of a certain unique and commanding position which the Canadian troops had won for themselves in France and (2) the remarkable change of sentiment in Great Britain and France since the beginning of June—a change from pessimism to optimism. Speaking at Port Hope on Aug. 15th, he paid high tribute to Great Britain: "I say that more soldiers and sailors of the Motherland are under the sod or under the sea by 100 per cent. than all the men Canada has sent across the sea up to this time."

In a speech at Ottawa on Nov. 26th, he declared the war sacrifices and record of Canada demanded that its Premier should be at the Peace Conference; advocated a League of Nations and the confinement of the Kaiser and his son in a modern St. Helena; declared that Lloyd George would win the pending Elections but that at the succeeding contest the Labour Party might do so; stated that 65 per cent. of Canadian enlistments had been skilled or unskilled labourers. Mr. Rowell spoke at Newcastle on Aug. 14th and described General Currie as "one of the outstanding generals of the War" and the Canadian Corps as "the finest single fighting unit on the Western front." He added these words: "So long as I am a member of the Government responsible for the administration of public affairs, I shall feel it to be my bounden duty to see that adequate reinforcements are provided to carry on the work for which so many have given their lives." This view was at once taken up by Lucien Cannon and C. G. Power, two Quebec Liberal members, who wrote him on the 16th deprecating another "levy of Canadians" and asked: "Can the Government exact a further sacrifice of our manhood? It would be inopportune, useless, and even ruinous." Mr. Rowell replied at once, explained the situation at the Front and the need of enforcement of the Military Service Act, denounced Mr. Cannon for speeches stating that Canada had done enough and added: "Will you not put forth all your influence, which you will concede must be great in your own districts, to see that every man now in default under the Military Service Act reports for service?"

At Millbrook on Aug. 24th, he reviewed the war effort of Canada and explained the Siberian policy of the Government as follows: "Canada is now mobilizing a small but thoroughly efficient Expeditionary force of about 4,000 men to go to Siberia to cooperate with the Allies in assisting the Czecho-Slovaks and the Russian people, who are courageously battling against Germany's efforts to dominate and control Siberia, as she already dominates and controls Western Russia." Mr. Rowell was at Blackstock, Ont., on Sept. 8th and then followed a Western tour in which he addressed the Canadian Club, Winnipeg, on the 12th, with a statement that at the time of the German March offensive, when Canada cancelled its agricultural exemptions, Britain was sending partially-trained boys of 18½ years into the battle-line and, despite an actual

shortage of food, had called out 30,000 young farmers previously exempted. The Brandon Club was addressed on Sept. 13th, and speeches made at Prince Albert on the 15th, at Edmonton on the 19th, and Calgary on the 20th. In every case the Minister explained at length the Russian situation and the reasons for a Canadian expedition in response to Britain's request. At Calgary he said:

> It is believed that at present there are 32 German and 15 Austrian divisions in Russian territory. These enemy divisions are on Russian soil to maintain Germany's strangle-hold on Russia and to extend her gains in the East. The Hun dominates Finland and is undoubtedly endeavouring to obtain control of the Murman railway and to establish submarine bases in the ice free seaports of the Arctic. She will also seek to cut the Archangel line to Volagda. It is to guard against this menace and to preserve to the Allies and to the other civilized nations of the world direct contact with Russia from the north that Allied forces have been landed.

In October Mr. Rowell made a tour of British Columbia, and spoke at many points; he met the Editors of the Province in conference and there, and elsewhere in the West, discussed the enemy alien question—freely in private, very little on the platform. During the Peace Conference absence of the Premier he acted as Secretary of State for External Affairs. At Port Hope on Nov. 12 he outlined the new Peace problems facing Canada as including the manufacture in Canada of a share of materials and equipment for the reconstruction of France, Belgium, Serbia, etc., the making of immense quantities of steel, etc., needed for Canadian railways, increased agricultural production, a great ship-building programme, enlarged waterways, electric horse-power on the St. Lawrence and necessary productive Provincial public works. Speaking in a Toronto Methodist Church on Nov. 24th (Sunday) Mr. Rowell declared that: "The ferment of democracy is already here. The worker is going to have his place in the sun in his own country. He is going to have a chance for joy and life, a chance to bring up his children as they should be reared." But there were points, illustrated by Russia, to be faced: "We have been told that the world is now safe for democracy, but it is our task, now, to make democracy safe for the world. And it can be safe only if democracy is guided and impressed by a moral and spiritual enthusiasm. Because of this situation, the Church never had a greater opportunity or a greater responsibility." A notable speech was delivered at Port Hope on Dec. 1st and the Russian expedition described as a pledge to the British Government and a piece of necessary work which Canada had undertaken to do. "The Force would go forward as planned." On the 15th it was announced that a Housing Committee of the Cabinet had been appointed—Messrs. Robertson, MacLean and Crerar, with Mr. Rowell as Chairman and with authority to consult the Provinces, formulate principles, and arrange a general plan of action. The Minister's address at Bowmanville on Dec. 17th, reviewed his personal and political position, the situation in Quebec and the Unionist Government policy.

Under Mr. Rowell's supervision was the Department of Public

Information, constituted early in the year, with M. E. Nicholls as Director. It acted in close co-operation with the British Minister of Information and kept in touch with the U.S. Committee of Public Information; it carried on educational work at home and abroad, issued the *Canadian Daily Record,* a journal for the use of Canadian soldiers overseas, and was the medium through which the Militia Department made its announcements. One of its chief enterprises was the War Lecture Bureau which sent speakers throughout Canada to speak to the people in churches, movies, auditoriums, and wherever opportunity offered; there was an Advisory Committee of which Sir Robert Falconer of Toronto was Chairman and Frank Yeigh organizer; the Bureau had as many as 1,000 voluntary helpers and published much useful information which, also, was translated into French. In the Commons on Apr. 19th Mr. Rowell explained the objects and work of the Department and, on Sept. 8th, it was announced that an official Government publication based upon the *Official Bulletin* of Washington and called *The Canadian Official Record* would be issued . The first number appeared on Oct. 1st and included statements as to Government policy, Orders-in-Council, activities of the Departments, etc. Mr. Nicholls was Editor and George H. Locke, B.A., of the Toronto Public Library was appointed to help him as an Assistant Director of Public Information.

The Minister of Immigration and Colonization. Meanwhile, the Hon. J. A. Calder had made his influence felt at Ottawa as the chief representative of Western thought; his Department of Immigration and Colonization was not a serious one at this stage but its association with the Alien-enemy franchise and alien immigrant questions was important. Provincial Liberalism at the first of the year demanded the repeal of the War-time Franchise Act; the war policy of the Union Government would hardly permit of this during the War and Mr. Calder was the chief object of criticism and appeal. In February a kindred Department to his own—that of the Interior—was placed temporarily in his hands; on the 26th he addressed a Prohibition meeting in Massey Hall, Toronto, in clear and incisive terms of Government support. On Feb. 15-16 he presided at an informal Conference of Provincial Premiers and Ministers called to meet at Ottawa and discuss the current food emergency and problems of increased production with the following subjects under consideration: (1) Co-operation in a campaign for greater food production; (2) the problem of agricultural labour and that of Fuel; (3) the rehabilitation of returned soldiers; (4) the formation of an after-war immigration policy. Satisfactory co-operation was arranged along lines of food production and Mr. Calder laid special stress upn the need of co-ordinated effort in promoting after-war settlement.

In June and July he was at the Imperial War Conference and devoted his attention largely to immigration conditions after the War, the proposed purchase of the Grand Trunk, and questions of

Land Settlement for soldiers. This latter problem was an issue during the Minister's Western visit in September. To the Winnipeg *Free Press* (Sept. 19) he said: "I have given exhaustive consideration to problems of immigration and land settlement during the past six months, and recently placed before the Dominion Government a concrete proposal. My colleagues have agreed to the broad principle of the policy proposed, which embodies the idea of full and direct co-operation with the Provinces. It involves the settlement of privately-owned lands, abandoned farms, and leased farms, and the employment of Provincial and Federal credit for the purpose. After the War it is anticipated there will be a large movement toward the Dominion, and for that reason the Government must keep Canada to the front, now, from a publicity stand-point."

On Sept. 20th Mr. Calder met the Regina Board of Trade and dealt briefly with the currently acute question of Mennonite immigration and an alleged influx of Germans from the States masquerading as Mennonites. He stated that these people were not coming into the West by any special arrangement with the Government, but as American citizens. At the same time a mass meeting at Swift Current was being held and the incoming of the Mennonites denounced (1) because they sought to escape American Conscription, (2) because as Mennonites under certain Government pledges of 40 years before they claimed exemption in Canada, (3) because, as aliens in the country and new settlers they could not be conscripted. A Resolution also declared that: "The children of these people must be educated up to our standard of British and Canadian citizenship, so that they may, in the future, voluntarily relinquish their claims to unjust exemption. We feel that this end can only be reached by establishing Public Schools with all expedition in the communities of these people."

Other meetings were held and a letter made public which was written by W. D. Scott, Superintendent of Immigration at Ottawa, and dated June 13th, telling the Mennonite Committee in Kansas, U.S., that "any Mennonite, Dunker or Amish, who produces a certificate from a recognized Bishop of the Church to the effect that he was, prior to July 6th, 1917, and still is, a *bona fide* member of the Church, is regarded at the present time as exempt from the provisions of our Military Act." The chief objection against the Mennonites was that they were slackers; they would not learn the language of the country, they maintained a distinctive religion and would not assimilate with Canadians. Mr. Calder admitted in succeeding speeches that the system of exemption by means of clerical cards had been abused; this immediate issue was settled by the coming of the Armistice; the larger immigration issue was, obviously, part of another problem which had yet to be dealt with as a whole. At the end of September, with Hon. F. B. Carvell, Mr. Premier Stewart of Alberta and some of his Ministers, and Mr. Calder visited the great north country of the Peace River, inspected the oil wells and motored over some of the agricultural lands.

With Dr. Reid, Minister of Railways, and Mr. Carvell, he was in Vancouver on Oct. 8th; on the 9th he was at Victoria conferring with the Provincial Government—as in the other Provinces—upon the vital question of Land Settlement in which one current difficulty was to get enough land near the Railways. On the 11th the Minister addressed the Canadian Club in Vancouver and put the immigration issue concisely: "You are feeling the taxes now. You will probably feel taxes to a greater extent in a short time unless we can get people into the country to help bear them. The problem is a Provincial one as well as a Federal one and unless we can secure co-operation we are going to suffer. The fundamental basis of a successful solution of the problem is to get more people on the land." He was at Moose Jaw on the 14th and in Regina on the 15th where he spoke at length on current issues and made a number of interesting statements. To carry the War Debt and meet War taxes more people were needed and Land Settlement was essential: "There are 15 to 25 millions of acres awaiting settlers, but the difficulty is to get the settlers with the means to go on the land. Therefore, the State must step in and lend its credit to those who are capable of cultivating the land, with a view to their eventually securing ownership."

As to the Mennonite matter Mr. Calder replied to a series of questions satisfactorily to the bulk of his audience. As a whole, he stated, the details came under the Militia Department as Exemptions and he was not familiar with them; where abuses had crept in he would take action at Ottawa after inquiry; as to the main point "a law should be enacted to the effect that no man should be allowed to come to this country unless he is prepared to carry his full share of the military burden." Of wider themes he stated that the Army was now free from patronage or "pull"; that he had in the summer, spent nearly a week with General Currie and found that "he, and nobody else, appointed his officers"; that Argyll House had been "cleaned up" and the staff reduced to a working state. While in Regina Mr. Calder met delegates from the Governments of Manitoba, Saskatchewan and Alberta and discussed the Land Settlement matter; on Nov. 1st a Cabinet Sub-Committee was appointed composed of Sir J. A. Lougheed, Hon. N. W. Rowell, Hon. T. A. Crerar, Hon. G. D. Robertson, Hon. A. Meighen and Hon. J. A. Calder (Chairman) to deal with: "(*a*) The absorption into civil life and occupation of discharged soldiers; and (*b*) Industrial labour conditions which may arise from industrial dislocation and readjustment." Advisory Committees were also appointed with H. J. Daly of Toronto, as Director of Repatriation and Employment and Vincent Massey as Secretary.

Closely associated with this Committee's work was, of course, the Land Settlement scheme and at an Inter-Provincial Conference of Nov. 19-20, Mr. Calder submitted an elaborate statement and a comprehensive scheme in this respect. His Memorandum described preceding lines of colonization policy as obsolete and ineffective and

dealt with the proposed reservation of Crown lands for soldier settlement; referred to the abandoned farms, and millions of acres of wild land of which the title had passed into the hands of the Government; mentioned the past lack of co-operation between Federal and Provincial Governments in this respect. It declared that any comprehensive policy adopted with a view to securing rapid increase in population, and the settlement of the land, necessarily involved the expenditure of large sums of money and the use of State credit and any cheese-paring policy would be doomed to failure.

The Minister suggested a loan of money by the Dominion to the Provinces for the purchase of privately-owned undeveloped lands. Intending settlers buying from the Province under this plan would pay 20 per cent. in cash or possess that amount in personal property; easy terms would be given for payment of the balance and, in case of loss on the transaction, it would be borne by the Dominion and Provinces jointly. The Federal Government would remain responsible for the admission and the securing of immigrants for Canada; the Provincial Governments would determine the class of settlers to be assisted, the maximum assistance to be given, and the terms upon which such assistance should be given; the creation of a Federal Land Settlement Board was advised with a Social Welfare Bureau to take care of incoming immigration. Finally, the general policy was summarized as follows:

1. Development of a national sentiment in favour of increased production and the encouragement of a movement from urban to rural districts.
2. Avoidance of congestion of labour in urban centres and the securing of a large influx of settlers to vacant lands.
3. Creation of a condition under which small holders might become owners and the securing of a supply of farm labour.

A matter of political importance discussed at the Conference was that of Natural resources and their proposed transfer in the West from Dominion to Provincial control. Early in the year, as a result of correspondence between Sir R. Borden and the Western Premiers, it was decided to lay the subject before an Inter-Provincial Conference. This was now done and the Dominion Government expressed its agreement with the general principle of transfer. All the Provinces expressed an interest in the subject—the three Prairie Provinces in order to get full control and better revenues, the others in order to get compensation for themselves if these advantages were given the West. The East, with New Brunswick and Nova Scotia especially strong on this point, contended that Manitoba, Saskatchewan and Alberta should not, without such compensation, retain subsidies and grants given in lieu of their lands and then have the lands also transferred to them. Mr. Calder, whose political opponents in the West tried to hold him responsible for the ensuing failure to reach a decision, issued a statement on Dec. 16 in which he said that: "Tentative suggestions were made by the Federal Government to the effect that it might be advisable for the Dominion to retain control and ownership of the forest reserves, national

parks and water-powers, and that, in the public interest, some provision might be made whereby the Federal Government in the future, if it so desired, could secure limited collieries. These were merely suggestions for discussion.'' No agreement could be reached, however, and a series of separate reports or resolutions was issued. On Dec. 12th the Minister was in Halifax discussing Land Settlement questions with the Provincial Government and on the 14th in St. John for a similar purpose.

The Minister of Trade and Commerce. Sir George E. Foster had abundant opportunities for work during the year and his Department had to deal with many trade difficulties and war complications as well as to prepare for future exigencies. Some of its responsibilities, however, were assumed by the Canadian War Mission at Washington and afterwards at London, the War Trade Board of which the Minister was Chairman, and the Canadian Trade Commission. In the first two months of the year Sir George was still suffering from the effects of an accident late in 1917 and Mr. Meighen acted as Minister; in March, however, he was back at his post and in May was Acting Prime Minister. Addressing a Methodist Conference in Ottawa on May 30th, he was urgent in the plea for greater economy: ''You do not realize what obligations Canada has to fulfil to pay for her share in this War. You cannot, you must not, spend a nickel foolishly. The worst is yet to come, and we must pay the bill out of what we earn and save.'' On Jan. 8th the War Trade Board plan then under consideration was supported by a large Manufacturers' delegation which waited upon the Government headed by S. R. Parsons, Toronto, and W. W. Butler, Montreal. They urged something similar to the U. S. War Industries Board as necessary in view of the great difficulties encountered by Canadian manufacturers in securing raw material from the United States since the entry of that country into the War. Its suggested functions were to collate and co-ordinate Canadian industries. It was duly constituted on Feb. 8th, in order to direct and aid the maintenance of the more essential industries for War purposes; it was styled a Sub-Committee of the War Committee of the Cabinet, but the only Minister appointed was Sir George Foster as Chairman. The others were F. P. Jones and J. W. McConnell, Montreal, J. H. Gundy, C. B. McNaught and Joseph Gibbons, Toronto, with C. A. Magrath, Fuel Controller, and Sir H. Laporte of the War Purchasing Committee as *ex-officio* members. Its powers and duties were as follows:

> To have direction of licenses for export and to make recommendations with regard thereto.
>
> To have direction of licenses for import and of applications to the proper authorities of exporting countries for permit to export to Canada and to make recommendations with regard thereto.
>
> To undertake and carry out such supervision as may be necessary of all industrial and commercial enterprises and by co-operation with producers to prevent waste of labour, of raw materials and of products.

To make recommendations for the maintenance of the more essential industries as distinguished from those of a less essential character.

To investigate and keep records of the country's stock of raw materials, partially finished products and finished products and, when necessary, to direct their distribution so as to obtain the best results in the national interest.

To consider and recommend methods of curtailing or prohibiting the use of fuel or electrical energy in the less essential industries.

To direct priority in the distribution of fuel, electrical energy, raw materials and partially finished products.

To investigate generally the conditions of trade, industry and production (except food production), and to make recommendations with regard thereto

To work in co-operation with the Canadian War Mission at Washington and through that Mission or otherwise to co-operate with the War Trade Board of the United States or other bodies constituted for the like purpose with a view to securing the most effective unity of action by the two countries for war purposes.

As finally constituted the Board was a vital factor in co-operating with the United States in war supplies and the utilization of mutual resources in raw materials. An elaborate system of licensing was adopted and control exercised over the Canadian side of Continental trade. One of its first steps was to place an embargo on imports of certain manufactured goods and products of the non-essential type from the United States—ale, baskets, boats, perfumery, automobiles (above $1,200), fruits, paintings, works of art, etc.—with a view to helping the exchange situation; other action was taken from time to time as required, and notably on July 18th and 27th when, at the request of the U.S. Government, lists of products were published as prohibited imports, except under license, and including various ores, hides, sugar, rubber goods, wheat, etc. Later in the year elaborate lists were gazetted of imports which were permitted from the United Kingdom or the United States. On June 19-20 a Conference, called by the Dominion Bureau of Statistics, under the Minister's auspices, was held at Ottawa and opened by Sir George Foster who stated that in the preliminary negotiations they had been met by the Provincial Governments in the broadest and most generous spirit of good will and desire to co-operate. R. H. Coats, Dominion Statistician, was Chairman, and there was a large attendance from all over Canada with Resolutions passed urging (1) the omission of mortuary statistics from future Census returns of the Dominion Government and (2) proposing the organization of a national system of Vital Statistics to include births, marriages, and deaths, to be on a yearly basis, and to permit of comparison between different localities and provinces and between Canada as a whole and other countries.

On July 31st, Sir G. Foster spoke in St. Stephen's, N.B., and delivered occasional addresses in other parts of the country when his duties as Acting Premier and Minister permitted. On Oct. 13th, as being the 4th anniversary of the landing of Canadian troops in England, Sir George cabled congratulations to General Currie on the splendid achievements of the Canadian Corps at Lens, Amiens, Cambrai and Drocourt, and to himself as its "trusted and indomitable leader." Two days later, in an analysis of German-Ameri-

can peace negotiations, he said: "The price paid so far in blood and sacrifice is too precious and costly to be satisfied with an inconclusive result. The War should go on until the desired change is wrought, nor can one well see how the propositions discussed by President Wilson can be successfully realized unless under the compelling force of an unconditional surrender." In connection with the Minister's departure for London to share in the Peace Conference and its preliminaries, a Canadian Trade Mission was appointed to co-operate with him in advancing specific interests during this period of partial peace. Mr. Lloyd Harris, who had acted in a similar position at Washington earlier in the year, was appointed Chairman. A statement was issued declaring it probable that, for a considerable period after the War, the purchase and distribution of a large portion of exportable agricultural products, and many manufactured articles, would be made through Governmental agencies established by Great Britain and other allied nations; hence the importance of Canada having a direct voice in the important financial, shipping, and industrial questions to be handled in London at this time.

To assist this effort in England, a Canadian Trade Commission was appointed on Dec. 10th, to have its permanent headquarters in Ottawa, to co-operate with the above Mission in securing immediate orders for Canada and to promote, permanently, the development of Canadian industries at home and exports abroad. Sir Charles B. Gordon, G.B.E., of Montreal, was appointed Chairman, C. B. McNaught of Toronto and H. B. Thomson of Victoria, members. Power was given by Order-in-Council to act in the purchase of Canadian productions for other Governments, to distribute contracts or orders amongst Canadian producers, to confer with Inter-Allied Boards, Committees and other bodies, to appoint associate members of the Commission from specific industries or groups. Another Commission in connection with this Department was the Siberian Economic Commission, recommended by the Minister and announced on Oct. 21st as intended to co-operate with the Allies in re-establishing the productive industries and re-organizing the commercial activities of Siberia; to also investigate local conditions as to transportation, agriculture, trade, finance, and other conditions with a view to the development of Canadian trade. The members appointed were C. F. Just and W. D. Wilgress, Canadian Trade Commissioners in Russia, Col. J. S. Dennis, C.M.G., *Liasion* officer of the Canadian Forces and Ross Owen, a C.P.R. official at Vladivostok, and they were to work with a British Commission previously appointed. Meantime, the Department officials were studying further trade possibilities and F. C. T. O'Hara, Deputy Minister, in his annual Report of Mch. 31st, 1918, issued this warning:

> Is it not, therefore, urgent that the various industries in Canada, especially those producing food and raw or semi-raw materials, should organize upon such a basis as will conserve these products for Canada and the Empire? If we let them go loosely to the first or highest bidder—and Germany with exhausted stocks of raw materials will be in the forefront as a buyer—the demand will

naturally lead to extravagant prices, which of course will re-act upon ourselves and increase the cost of production and manufacture in Canada. While no one can forecast what the conditions of business may be when the War is over, the time has arrived to prepare for every possible eventuality by widespread organization of every industry in Canada.

Each industry should prepare complete and accurate statistics of the most exhaustive nature with respect to itself, so that if necessary such information will be available not only during the progress of the War but also when the Government is called upon to study tariff problems at home and tariff arrangements abroad. Such organizations are not inferred to be in the nature of trusts to dominate prices or to restrain trade in Canada, but for the purposes of assisting and advising the Government with all possible information in respect of such industry, and also engaging in export trade. Co-operation in export trade will be necessary to meet similar foreign Export syndicates.

The Minister of the Interior. The Hon. Arthur Meighen, Minister of the Interior was in New York on Jan. 24th addressing the Canadian Society, in a message of characteristic eloquence, to the American allies of the Empire: "Our people are demanding action and more action; compulsion and more compulsion; regulation and more regulation; sacrifice and more sacrifice; war and more war. We have encountered every form of German deviltry. We have mortgaged and remortgaged our future, but have multiplied our capacity to pay. On the door-posts of 30,000 of our homes is sprinkled the blood of our children. Every four minutes comes a casualty message to some stricken family. We know the meaning of War. We have our share of demagogues, pacifists and blatherskites. But the jaw of Canada is set." His special policy during the year was one of soldier-settlement on the land, in co-operation with the wider project of Mr. Calder; his speeches were helpful in enlistment and in promoting effective operation of the Military Service Act; in the administration of the Dominion Lands Branch he made slashing economies, closed many Western offices and sub-agencies, and in June an Order-in-Council embodied new regulations for sale or improvement of such lands.

At this time, also, a Dominion Power Board was constituted by the Government, with Mr. Meighen as Chairman and the following *personnel*: Arthur St. Laurent, Deputy Minister of Public Works, J. B. Challies, Chief Engineer of the Dominion Water Power Branch, Col. C. N. Montsaratt, W. J. Stewart, John Murphy, H. G. Acres, O. Higman, D. B. Dowling, and B. F. Haanel—all engineering specialists. The object was to mobilize all the Dominion and Provincial organizations having to do with the administration or investigation of the Power and Fuel resources of Canada, co-ordinate their work, direct their efforts and prepare for the Reconstruction period. For this the co-operation of the Provincial Governments was needed and was sought. It was felt that immense improvements were possible; in Great Britain proposals were under way for great central fuel-power plants at strategic industrial points; Niagara had shown how profitably water-power could be utilized and in all Canada there was 2,000,000 horse-power in effective use. It was stated that the current use of this power was 78

per cent. for domestic and industrial purposes, about 14 per cent. for pulp and paper manufacture and 8 per cent. for electro-chemical and similar processes. The official objects of the Board were officially stated at great length and may be summarized as follows:

1. Collecting and systematizing all the information available and obtaining additional information.
2. Studying all such data with a view to making appropriate recommendations; and consulting with all responsible bodies and persons carrying on water resources or power investigations with a view to united effort.
3. Making a systematic study with a view to co-ordinating all work carried on respecting water and fuel resources.
4. Conferring with and securing the advice or assistance of (*a*) Power or fuel producing interests; (*b*) Specialists or experts in the development or use of power; (*c*) Provincial or Dominion organizations.
5. When necessary, appointing, with the consent of the Minister of the Interior, assessors to represent the various interests.

In June and July Mr. Meighen attended the Imperial War Conference at London and made a distinct impression as a public man on the leaders whom he met and the audiences addressed—the London *Daily Mail* of June 14th describing him as "a new man who counts," as having had a brief but brilliant political career, and as combining skill in debate with sincerity of conviction and earnestness of character. In the Conference Mr. Meighen laid special stress on the proposed Empire Statistics Bureau and the need for accurate data of this kind, strongly supported action to free the Empire from dependence on German dye-stuffs, and suggested for the Empire a Shipping Board analagous in its powers on the ocean to those of the Dominion Railway Commission on land in Canada. His part in the discussions was authoritative and useful. With Sir Robert Borden and Mr. Calder he, also, discussed Grand Trunk matters with the London Executive of that Railway. Mr. Meighen addressed the Royal Geographical Society on June 24th and his review of Canada's resources, production and possibilities attracted wide attention. He was introduced by Lord Desborough, the Chairman, as a politician who might some day guide the destinies of the Dominion and in his speech he laid special stress upon the water-power and possible electrical developments of the Dominion. The Rt. Hon. W. H. Long, Sir William Peterson and Hon. N. W. Rowell also spoke. At a great meeting in London on July 4th, in honour of the United States and its work in the War, Mr. Meighen seconded a Resolution of greeting moved by the Rt. Hon. Winston Churchill and concluded as follows: "Let us have from now onward, if we never had before, the highest efficiency. Generations unborn will bless the generations of to-day and will reap the long reward of our suffering and of the union which will be the result of that suffering." After his return, to an audience in Ottawa on Nov. 26th, he declared that: "The issue has been so well decided that never to the latest hour of history, so far as our minds may reach can such a war be repeated. We have attained everything we worked for, suffered for, everything your sons fought and died for. And we have got it forever."

Mr. Meighen's annual Report as Minister (Mch. 31, 1918) showed Departmental receipts of $10,991,576; a surveyed area of Government lands in Manitoba, Saskatchewan and Alberta totalling 201,554,393 acres, and an unsurveyed area of 284,088,305 acres; an area under Homestead of 53,657,500 acres, under Pre-emptions and purchase of 8,751,900 acres, under Railway grants of 31,864,074, in Forest Reserves and Parks of 25,615,500 and, still available for entry, 27,322,200 acres; land sales by Railway Companies and the Hudson's Bay Co., of 1,116,237 acres in the year sold for $20,887,600 with a total of 22,427,496 acres at $176,280,458 since 1893. W. W. Cory, C.M.G., Deputy Minister, reported as to Power matters and urged what was shortly afterwards realized—the formation of a constructive organization for bringing together the various interested bodies in the evolution of a national fuel-power policy; the Report, also, gave elaborate statements as to progress, Irrigation, Forestry, the management of National Parks, and control of game —including vast herds of caribou in the north country. Mr. Meighen was, also, Superintendent-General of Indian Affairs and his Report in that connection showed (1918) 105,998 Indians and 3,296 Esquimaux in the Dominion; the Indians owned $65,-285,112 worth of real and personal property and they had 12,413 children attending school. For a time during the year he was Acting Minister of Justice.

Senator Blondin and the Postal Strike. The Postmaster-General (Lieut.-Colonel P. E. Blondin) had difficulties during the year with his employees; he, himself, was on active service for part of the year and, on July 20th, was gazetted to the Senate in place of the House of Commons seat which he had lost in the Elections. The net revenue of this Department for the fiscal year 1918, was $21,-345,394, the expenditures $18,046,557; the Money Orders issued were $142,959,167 in value and those paid up were $125,267,850; the aggregate balance in the P.O. Savings Bank was $41,283,478 and the Postage stamps issued totalled $24,171,170 in value; there were 12,622 Post Offices on Mch. 31st and 3,674 rural mail delivery routes with 173,150 boxes served. It was semi-officially stated that 700,000,000 letters were mailed in Canada during the year and 957,000,000 postage stamps sold.

Meantime the Post Office, as a large employer of labour, had to face the issue of increased wages. Parliament early in the year had voted a special grant of $150 each to the letter-carriers. On July 2nd the carriers in Toronto, through their Secretary, urged Dr. R. M. Coulter, Deputy Postermaster-General, to hasten the apportionment of this grant and were promised a settlement. At the same time the demands of the men were expressed in a circular as being $1,000 per year minimum and $1,400 per year maximum. Their only increase since 1912 had been a $100 bonus in 1917—though the purchasing price of a dollar was described as less than half—and a meeting in Toronto declared their intention to strike if a Board of Conciliation was not granted within 9 days. On July 22nd about

450 Toronto postmen did not report for work and Dr. Coulter at the same time made this offer along the lines of the Parliamentary grant: "That men receiving less than $1,200 a year shall at once receive an increase of $150 per annum, and men receiving between $1,200 and $1,500 shall receive a $100 increase." No mention was made of provision for temporary or single men. Senator Blondin also urged the men to accept this proposal and promised that within two weeks the whole question would be settled. The Minister of Justice (Mr. Doherty) then issued a statement as to why the Board of Conciliation method could not be utilized:

> The Industrial Disputes Act makes no provision for the establishment of Boards of Conciliation between the Government and its employees, in connection with any matters of dispute. Parliament at the last Session voted a special allowance for the current fiscal year of $150 to permanent employees who are married, widowers or widows with children and in receipt of salaries not in excess of $1,200, the total salary and allowances, however, not to exceed $1,300. An allowance of $100 is also provided for the same class of persons whose salaries do not exceed $1,550, so as to make a total salary and allowance not in excess of $1,600. Provision is also contained in the vote for unmarried employees with dependents. The first quarterly cheques are now being issued. This vote is in addition to salary or allowance paid last year.

Following this move in Toronto, action was prompt in other centres and Alex. McMordie, Secretary of the Dominion Federation of Postal Employees, stated on the 23rd that the postmen had quit work at Fort William, Port Arthur, Calgary, Regina, Vancouver, Peterborough, Sault Ste. Marie, Saskatoon, Brandon, Kitchener and Medicine Hat, in addition to others who had struck on the 22nd. The Postal Clerks of Winnipeg decided to follow suit and explained that: "Even if the war bonus which has been promised is distributed forthwith it is not sufficient to provide the necessities of life as stipulated by the Department of Labour, which says that a family of five should receive not less than $85 per month to provide for food, light, rent and fuel (there being no provision for clothing)." The result was great public inconvenience and the holding up of many tons of mail matter and disorganization of much business in the West where the strike soon became general; in the East, including Toronto, the men returned to work on the 25th upon the Government assurances given above.

On July 26th the Government appointed a Sub-Committee to confer with the Postal men composed of Hon. Messrs. A. K. Maclean (Chairman), J. A. Calder, F. B. Carvell, G. D. Robertson, P. E. Blondin and Sir T. White. At the same time J. C. Watters, President of the Trades and Labour Congress, refused to support the strikers at Victoria, B.C., on this ground: "One of the cardinal principles directing the policy of organized Labour is to exhaust every effort to settle a dispute by direct negotiations, and only when such negotiations fail is the case referred to an independent tribunal. You ask that the policy of organized Labour be reversed by seeking a Board instead of entering into direct negotiations." He had advised the Postmen to return to work in view of the terms offered;

those in the East responded favourably, but the West dragged on for some time. The Minister of Labour (Mr. Crothers) told an Edmonton journal on Aug. 1st that the Western men were already receiving $3.40 per week more than those of the East though living prices now were much the same in the two sections.

Further incidents of the strike included telegrams of support to the Letter-carriers sent the Postmaster-General from all the chief Boards of Trade in the West; support given also by the City Council and business men of Regina at a mass-meeting there; the strong stand of the Acting Premier (Mr. Doherty) as to Government being unable to abrogate its functions to any Board or Commission and his statement on July 25th as to instructions being given that "employees not at work to-morrow be not retained in the Service"; the demand of the Vancouver postmen and their wives at a public meeting for a Royal Commission of Inquiry; the Government's final concession to the West of an investigation by the Civil Service Commission whose Chairman, the Hon. Dr. Roche, went to Winnipeg at once; the threat, meantime, by Western Trades Unions of a general strike and their effort to promote one; the return to work on Aug. 1st of practically all the strikers and a final conference on Aug. 6th at Ottawa between the Government Sub-Committee and representatives of the Postal employees—the latter asking (1) the extension of the Parliamentary grant to include single men and those without dependents and (2) the extension of the Western special living allowance of $180 to the Eastern employees. This ended one of the most annoying and expensive strikes that had ever disturbed the country. On Aug. 20 the Cabinet Sub-Committee declared that, in addition to the salaries and allowances granted by Parliament, there should be a special grant of $100 to employees west of Sault Ste. Marie and of $50 to those at and east of that point in place of the preceding Western allowance of $180.

Mr. Carvell's Policy and Opinions. The Hon. F. B. Carvell as Minister of Public Works lived up to his reputation for economy in expenditure during this period and for straight-flung, frank, expressions of opinion. At Montreal on Feb. 18th he told the Canadian Club that $800,000,000 would have to be saved by the people in the current year, that direct taxation was necessary to meet the demands of war, that while nearly all individuals in Canada were better off than when the War began, the Government was getting poorer and poorer. He was especially plain-spoken as to Railways and described the Intercolonial as always a political machine and therefore very badly managed: "It is a lamentable fact that, up to the present, Government operation of railways has been one of the most tragic farces the country has ever seen." Speaking to Civil Engineers at Ottawa on Mch. 7th, Mr. Carvell told them that "Canada was pretty well supplied with railways—at least the Government of Canada is!" There would be abundance of work, in the near future, in reconstructing these railways; but more important still was the development of Water-powers. The coal short-

age of the past winter had emphasized the need of making the country independent of coal from outside and, while hydro-electric power might not yet be used to warm buildings, it could be used for cooking, even at present rates, with a saving over coal, and it should, especially be used for industrial purposes. Important, also, was the building of roads. He deplored the money wasted without competent engineering advise and estimated the loss at from one-third to one-half of all the money spent. In Parliament some correspondence between the Minister and A. E. Fripp, M.P., of Ottawa, was tabled which showed the former's attitude on Patronage:

(1) Jan. 4th. I simply cannot, and will not, have my time taken up with small matters of patronage, and I think you will be well advised if you take the same stand.

(2) Feb. 12. Every Contractor not only in Ottawa but in Canada will be given an opportunity to tender (in this Department). The contract will go to the lowest tenderer, providing the firm has the financial ability to carry out the work.

Mr. Carvell was in New Glasgow on June 14 and, in reference to a current Mining strike, made the clear-cut statement that: "No man has a right to go on strike at this time no matter how great the provocation; everybody should either work or fight." On June 15 he spoke to the Methodist Conference at Sackville, N.B.; on Aug. 4th he addressed a great War anniversary gathering at Woodstock, N.B. In October, with other Ministers, Mr. Carvell was in the West and told the Vancouver Canadian Club (Oct. 8th) that he had no apology to make for closing down the Public Works of Canada when he assumed office; that, despite recent Canadian casualties of 30,000, there were two men ready behind the front lines for every man needed; that there was a suspicion of enemy work in the Labour troubles of the Coast; that after the War there would be two or three years of adjustment and "a complete revolution of the fiscal system." To the Victoria *Colonist* on Oct. 11th he declared the financial problem serious: "We have got to curtail our outlays, eliminate the non-essentials and get down to necessities. That is the principle in vogue in the Department of which I have the honour to be the head." As to local demands he was explicit: "I can frankly say that I am not in favour of Government-owned utilities. If there is scope for a drydock here and it is a business proposition, let private enterprise construct it and operate it and the Government will assist by subsidy."

The Minister was at New Westminster on the 11th inspecting Fraser River operations; at Calgary on Oct. 14th he told *The Herald* that: "When the country is at war I look upon it as the duty of every man to do what he can to help to win it and, naturally, have not much sympathy with men who refuse to work for $4 to $5 a day at home while the soldier is receiving $1.10 in the trenches." In St. John on Oct. 30th, Mr. Carvell gave a very frank interview on Labour conditions.* He was emphatic in his belief that I.W.W. and Socialistic propaganda of considerable importance was being

*Note. St. John *Standard*, Oct. 30th.

carried on all over Canada, and particularly in the West, and, that, unfortunately, many of the Labour leaders were very much influenced by these seditious doctrines. To the "Big Six" Unions—the Railway Conductors, Engineers, Trainmen, Telegraphers, etc.—he expressed national gratitude for their war services. There was much unrest in the other organizations. As to the Government its principle was that: "every man has a right to have his grievances investigated, but no man has a right to cease work in any essential industry during the continuance of the War—every man physically fit should either work or fight." On Armistice Day the Minister addressed a great throng at Woodstock, N.B.; speaking at a Building and Construction men's banquet in Ottawa (Nov. 27th) he told them that contractors could afford to make some sacrifice in profits to tide the nation over the danger period; as to Government policy the time had come for removing the brakes, somewhat, on Public Works' expenditure.

Meantime, Mr. Carvell's 1st Annual Report as Minister (Mch. 31st, 1918) showed the fiscal year's expenditures as $14,055,207 or $2,106,388 less than in 1917 and $15,228,109 less than in 1915. In this retrenchment he followed closely the policy of the Hon. R. Rogers. Speaking in the Commons on Mch. 25th the Minister stated that he, also, had cut his staff down from 396 to 250 with 21 vacancies which would not be filled and 62 officials available for transfer elsewhere. He added that the Outside service was to be treated in the same way. On Mch. 24th he had admitted in Committee that the task was not easy but that all reports showed the staff to be over-manned; it was stated at this time, also, that his Department had taken over the buildings of the Military Hospitals Commission. Many appeals for public works were made to him during the year. On Apr. 9th a large Deputation from Western Ontario asked for the development of Port Dover as being the best natural harbour on Lake Erie and were told that the Government would take over the work and do as much as was possible—during war time. Vigourous protests were presented to the Minister a little later from Toronto as to the proposed spending of only $420,000 in 1918 upon its Harbour works; work was rushed on the essential Ocean Terminals of Halifax; the shipbuilding plant and dry-dock at Richmond, N.S., were pressed forward. Meanwhile W. Sanford Evans, Commissioner to inquire into the Georgian Bay Canal project, reported to the Minister in two interim Sections and, in an able statement, dealt with the whole problem of Canadian Water-transportation, trans-Atlantic traffic, shipping rates and wheat movements.

Mr. Ballantyne's Ship-building Projects. As Minister of Marine, Fisheries and Naval Service, the Hon. C. C. Ballantyne devoted much attention to the promotion of shipbuilding as (1) a War-time necessity for transportation and (2) a great impetus to Canadian industry and after-war prosperity. On Jan. 4th, 1918, he announced an elaborate Government policy in this connection

which would implement pre-election pledges; under it the Government proposed to utilize, to their utmost capacity of about 300,000 tons annually, all existing Canadian shipyards for the production of modern steel cargo steamers; to assist the project further any such construction for foreign registry during the War would not be permitted; consideration was being given to three different kinds of ships—one type comprising vessels of approximately 3,000 tons, another type from 5,000 to 7,000 tons, and another from 8,000 to 10,000 tons; negotiations were under way for the construction in Canada of mills for the rolling of ship's plates to provide maximum requirements. As to details a further statement was issued:

(1) The ships will be built and owned by the Government. They will be operated partly, at least, and perhaps wholly, by the Government. After the War they will be owned and operated by the Government in co-operation with Government-owned railways.

(2) Ships now under construction by and for the British Government will be completed. Contracts for these vessels were let by the Imperial Munitions Board, and most of them will be completed early in the summer.

(3) The Government's contemplated programme will involve an expenditure of from fifty to sixty million dollars.

(4) There will be an equitable distribution of labour between the various plants so as to ensure the maximum of efficiency and speed in output of ships.

(5) No new shipyards will be constructed for the present, but all existing yards will be utilized to their fullest capacity. Ships will be built at Vickers, Montreal; George Davies, Lévis; Polson Iron Works, Toronto; at Collingwood, Ont.; at New Glasgow and on the Pacific Coast.

(6) Charles Duguid, Naval Architect of the Government Service, who has a wide experience in yards at Belfast and on the Clyde, will be the technical officer in charge of the work.

(7) Steel rolling plants—heretofore exclusively confined to the United States—will be erected at Sydney, New Glasgow, Hamilton, and Sault Ste. Marie.

This was a big programme and the Minister, who was not only new to public life and politics, but new to Departmental detail, threw himself into the work of development. In June and July he was in England—partly to attend the War Conference, partly to try and overcome, for ship-building purposes, the Imperial embargo on machinery and capital, partly to interest private shipowners in the matter as an after-war industry. He told the press on July 23rd that arrangements had been made with the American Government for a supply of steel plates during 1918 and 1919, till the new mill at Sydney, N.S., was ready to produce them and that, while the Government was going in exclusively for steel ships it had no objection to private yards taking contracts for foreign firms, or Governments, in wooden ships—one having just been arranged at Vancouver with the Norwegian Government for 20 such vessels. On his return Mr. Ballantyne told the Montreal press (Aug. 3rd) that he expected a big British and European demand for Canadian shipping after the War and that this was one of the great needs of Britain; in England he had had several useful consultations with Sir Joseph Maclay, British Minister of Shipping, and Sir Joseph Cook, Australian Minister of Naval Affairs. Mr. Ballantyne, also,

was greatly impressed by his visit to the Grand Fleet and stated on Aug. 8th that: "The power, majesty and extraordinary efficiency of the Grand Fleet must be actually seen to be appreciated. I only wish I could have had with me 10,000 Western farmers so that they could see for themselves what the British Navy means to-day to the Canadian grain grower."

To the Canadian Club, St. John, on Oct. 5th, the Minister stated that the $5,000,000 mill at Sydney for the manufacture of 250,000 tons of ship's plates would be completed and in operation by next July. Canada's annual output of steel ships was 250,000 tons and the Government had, under consideration, 22 steel ships aggregating in cost $25,000,000, while the number under construction next year would be considerably larger. On Nov. 1st he announced that contracts had been placed with the several ship-building yards in Canada for the construction of 31 steel steamers, ranging in tonnage from 3,400 tons dead-weight capacity to 8,100 tons. During this period Labour problems created serious difficulties and so did the shortage of materials and the necessary completion of Imperial orders through the Munitions Board. Every aid was given, in this latter connection, even to a preference in the allocation of steel—a generous policy worthy of remembrance.

On Dec. 3rd the *Pioneer*, the first of the Dominion Government's Mercantile ships, was launched from the Vickers plant at Montreal, with Lady Borden officiating, and the Minister was able to announce that 39 other steel steamers then were under construction. He also stated that the management of this Marine service would be under the Board of National Railways and the direction of Mr. D. B. Hanna. By the close of the year the contracts were for 43 ships of 255,250 tons valued at $50,820,950; an interview with Alex Johnston, Deputy-Minister of Marine (Dec. 25th) showed the enormous difference in cost of construction between Canada and England—largely because of the cost of labour. Shipwrights in Great Britain received $16.50 a week and at Vancouver $36.30; steel in Great Britain, delivered, was $53.50 a ton and at Vancouver $102.25, at Toronto $78.84, at Montreal $96.89. The following were the official figures of ship construction in Canada during 1918—including all kinds:

Particulars	Sail	Steam	Gas	Steel	Totals
Number (wood)	81	43	18	79	223
Gross tonnage	34,042	86,479	9,757	135,004	265,282
Net tonnage	29,334	54,498	7,856	79,325	171,013

This Minister had charge of the Fisheries which included various intricate questions of United States relationship, British Columbia salmon and other questions, protection and depletion of lake and ocean Fisheries, transportation problems for fresh fish, expansion of cured-fish industry, oyster culture, Biological work and inspection—an increase of production from $39,208,378 in 1916-17 to $52,312,044 in the newly-arranged calendar year of 1917. The Report of the Marine Department for Mch. 31st, 1918, showed 13

large operating steel ship-building yards in Canada with 45 berths and, on Jan. 1st, 1918, 8,559 vessels of 1,327,853 gross tons on the Registry. Under Mr. Ballantyne's supervision there were also St. Lawrence and other Navigation matters—lights, ship-channel, etc.; the Meteorological service of Canada, the work of the Wreck Commissioner and various Harbour Commissions. As Minister of Naval Service he dealt with Surveys of Trades and Currents, Hydrographic matters, Radio-Telegraphs, Fisheries Protection and Life-saving Services. His Report for 1918 as to Dockyards and Naval conditions and the protection of Harbours was, of course, slight but the War responsibilities were considerable as indicated by the Submarine raids of the year.

Something of the Naval policy and record of the Department became known after the War.* At the beginning the Royal Canadian Naval Service consisted of 300 men; at the end of 1918 it included over 5,000 and, during the War, more than 10,000 men had passed through its ranks. Until the German Naval menace had been relieved, for the time, by the Falkland battle H.M.C.S. *Rainbow* was in constant service on the Pacific coast; after that she was put on the Atlantic service where, up to September, 1915, the *Niobe* had been doing duty. A large squadron of Patrol boats was created for Atlantic coast service consisting of 123 vessels which patrolled about 1,800 miles of varied coast line as well as open sea areas and routes—with duties which included oversight of the coast, special patrolling of strategic positions, port guardianship, daily mine-sweeping, convoy escorts and searches for enemy submarines and mines. In co-operation with the Imperial and American authorities sea-plane bases were established at North Sydney and Halifax. There was some criticism of the Department and its successive Ministers by William Duff, M.P., (Lib.); the Halifax press, at the time of its disaster, was disposed to be very critical but the Court of Inquiry presided over by Mr. Justice Drysdale, declared the pilot of the *Mont Blanc* to be responsible; *The Sailor,* as organ of the Navy League of Canada, found some fault with the Department, but its criticisms lay chiefly against the Deputy-Minister.

Incidents of the year affecting this Department included an Act bringing Canadian Naval discipline into harmony with that of the Imperial, Australian and New Zealand Navies; the admission of 20 Cadets to the Royal Naval College in its temporary quarters at Kingston and its removal for a time to Esquimault; the statement by the Minister at St. John on Oct. 5th that he favoured the nationalization of all Canada's important seaports—in addition to those of Montreal, Vancouver and Quebec; the announcement (Oct. 8th) that there were 800 fish canneries in Canada and that the new Act, operative on Dec. 15th, provided for efficient inspection of cans and packing operations, the proper marking of cans, seizure of unsound fish and supervision of imported fish; the increasing value of fish cultural operations on the Great Lakes and in smaller waters; a

*Note. Debate in Commons on May 26th, 1919.

discussion at the close of the year as to the demobilizing of Canada's Naval Services and the urgent desire of the Navy League that they should be held available for the manning of new Canadian ships.

The difficult questions associated with the 1917 explosion in Halifax Harbour were placed for inquiry in the hands of a Commission and this body reported to the Minister in March, recommending the abolition of Pilotage authority in that Port and the appointment of an experienced Superintendent responsible to the Minister with a series of reforms in the matter of pilots and apprentices and the keeping of books. The famous Stefansson Arctic expedition of 1913-18 was under control of this Department and its chief, V. Stefansson, returned home to Ottawa on Oct. 29th after years of peril, adventure, useful exploration and the annexing of new regions to the British Empire. G. J. Desbarats, Deputy-Minister of Naval Service, stated at this date that: "Stefansson has added to Canada several unknown lands in the Arctic region; he has done exceptionally valuable work by exploring oceans. He has discovered, at certain points, that there was only ocean, where land was supposed to exist. His experiments and his work of sounding the ocean and studying the currents, and of studying the behaviour of the ice fields, will be most valuable. He has shown the possibility of living on ice floes in the Arctic."

Other Ministers and Political Incidents. The Hon. A. L. Sifton, Minister of Inland Revenue, was early in the year Acting Minister of Justice and had additional duties allotted to him in March as Minister of Customs; in September he was at Washington arranging the St. Lawrence Water-power question along lines of co-operation and war production between the two countries; in November he accompanied the Premier to England and took a quiet but influential part in the preliminary preparations for the Peace Conference and reconstruction. This was, indeed, his natural part in politics; he was not a speaker in the popular sense of the term but proved at Ottawa, as he had done in Alberta, an excellent administrator and a Minister whose advice and opinions were of the highest value. On Mar. 14th the resignation of Hon. Arthur Sévigny as Minister of Customs was announced, as a result of his defeat at the General Elections,—in a letter to Sir R. Borden dated Mar. 7th.

He expressed pride in the patriotism of the people as a whole and regret at the defeat, in his own Province, of the Government's War policy: "I hope that the French-Canadian minority will soon consent to have representation in the Government. I know you have done everything possible to urge Sir Wilfrid Laurier and other French-Canadians to enter Union Government. I have witnessed your efforts to obtain the union of all races and, as a French-Canadian, I do not hesitate to hold responsible for the present isolation of Quebec those who failed to carry out their sacred duty of giving to my Province a proper and patriotic direction. Rest assured that the great majority of the French-Canadians want

representation in the Government." The resignation was not at once accepted but, on May 18th, the Department was amalgamated with that of Inland Revenue and Mr. Sifton appointed Minister of Customs and Inland Revenue. The Deputy-Minister of Customs—J. U. Vincent—was retired. For the fiscal year ending Mch. 31st, Inland Revenue receipts had risen greatly—from $21,877,892 in 1914 to $29,962,366 in 1918; those of Customs had gone up from $107,180,578 in those years to $161,595,628, while the total trade of Canada had more than doubled.

The Secretary of State and Minister of Mines (Hon. Martin Burrell) had a Department which did not come in for much public discussion during 1918. Mr. Burrell from time to time spoke on the subjects of war production and patriotism in which he had taken such interest as Minister of Agriculture; in a speech at Ottawa on Jan. 6th he declared that the war had reduced the materialistic spirit and that a new one of self-sacrifice among rich and poor had developed. He told the Canadian Mining Institute at Montreal on Mch. 8th, that the Government would not this year introduce a new Mining Act; all energies should be devoted to the War. It was possible, however, that before this occurred the Government of the day would take a large step in advance and nationalize certain forms of industry rather than leave them in private hands. He would, personally, be reluctant to see any Nationalization that would stop the wholesome and strong stimulus of private enterprise and energy which had done so much to build up the country. He expressed the opinion that the Hudson Bay Railway, despite its political origin, would be of immense value from a mineralogical point of view and open up a region which should prove a great national asset; he hoped to extend the valuable system of Ottawa Laboratories to British Columbia in order to stimulate production and utilize by-products; he believed the Peat industry could be put on a business basis and the 120,000,000 tons of material turned into valuable subsidiary fuel. A little later a branch office of the Geological Survey was established in British Columbia with Charles Camsell in charge and much was hoped for from its work. The Minister was in that Province during October; in the summer for a time he was Acting Minister of Militia.

There were other Ministers whose work did not bring them within the purview of separate consideration here. The Hon. Francis Cochrane, for instance, was a Minister without Portfolio and, owing to ill health, took no active part in public work, though his advice and experience were naturally of value; the Hon. A. K. Maclean, K.C., had no portfolio but was acting-Minister in several Departments from time to time and the efficient Vice-President of a Cabinet Committee on Reconstruction and Development—this, with his work in the Finance Department are referred to elsewhere; the Hon. Hugh Guthrie, K.C., was Solicitor-General with duties which covered much detail work and legal advice. Late in June Mr. Guthrie represented the Government at an International Congress

of Rotary Clubs held at Kansas City, U.S., with 10,000 delegates present, and delivered two notable addresses with speeches also at Detroit and Toledo on his way home. The work of the Ministers of Finance, Militia, Railways, Agriculture and Soldier's Re-establishment is considered under sectional headings. A reference must be made here to the continued and necessary use of Orders-in-Council by the Government. Many of these have been specially dealt with or will be in other connections; nearly all were passed under the War Measures Act and as part of the nation's war policy. The following partial list indicates their varied and essential character:

Jan. 19. Regulating certain Exports.

Jan. 24. Prohibiting various Exports.

Feb. 4. Regulating compounds containing Sulphate or Chloride of Potassium from school-lands in the three Western Provinces.

Feb. 5. Regulating and conserving the use of Coal.

Feb. 5. Prohibiting the possession within Canada of certain German or pro-German books and newspapers.

Feb. 8. Placing Tractors and Cattle on the Free list.

Feb. 20. Regulating publication or grants of patents.

Feb. 28. Prohibiting in certain districts the removal or sale of Dent Seed Corn.

Mch. 9. Limiting the profits on the sale of Live-stock.

April 4. Instruction that every male resident of Canada within certain ages must engage in some useful occupation.

April 8. Transferring Food Controller's power to the Canada Food Board.

April 12. Permitting unpatented Dominion Lands in the B.C. Railway Belt, held under entry, to be leased by a soldier or sailor on active service, by a person engaged in work of national importance, or where the entrant was deceased or insane.

April 16. Declaring it an offence to print, publish, or publicly express seditious and anti-war opinions.

May 21. Granting increased pay to the Civil Servants of Canada.

June 3. Announcing a list of restricted or prohibited Imports.

June 3. Prohibiting the export of gold except under license.

June 12. Stating that natives of India of unmixed Asiatic descent shall not be called to service under the Military Service Act.

June 28. Declaring 28 Russian centres, under German control, as territory in hostile occupation.

July 27. Prohibiting, except under license, the import into Canada of all commodities whose import into U.S. had been prohibited by the American Government.

Aug. 5. Regulating the conscription under Military Service Convention of United States citizens in Canada.

Sept. 5. Regulating the wearing of Allied uniforms and decorations in Canada.

Sept. 25. Forbidding the import into Canada or possession of any publication written or printed in enemy languages.

Oct. 12. Giving the War Trade Board control of the production of Chrome Ore.

Oct. 23. Appropriating for Government use all surplus fibre flax seed in Canada.

Nov. 14. Repealing Canada Food Board ruling's as to substitutes for wheat flour.

Nov. 15. Respecting Canadian claims against the enemy for illegal warfare.

Dec. 11. Prohibiting combinations or action restricting facilities for transportation, production, etc., of any necessary of life, restraining or injur

ing trade in that respect, preventing or limiting manufacture, or undue hording of such necessaries.

Dec. 16. Repealing various Food restrictions.

Dec. 21. Amending Russian regulations and grants.

The Government, during this year, did not have much party politics to face as the Unionist Liberals stood firmly by it and contributed a normal majority of about 70; the popular vote in the Elections had shown a Government majority of 275,000. During the year strong Unionist Associations were organized in Victoria, New Westminster, Vancouver, Burrard and other points in British Columbia with Dr. S. F. Tolmie, M.P., as an active element in political work; in Toronto H. M. Mowat, K.C., M.P., a veteran Liberal, and now a Government supporter, declared (June 13th) that he would not be surprised to see the Unionist party become a permanent one after the War and, in writing later to a meeting of his constituents (Dec. 2nd) he claimed that this non-partisan Government could best undertake the work of reconstruction; on Nov. 22nd, W. F. Nickle, M.P., Cons.-Unionist, wrote to a Toronto meeting a declaration that it would be most unfortunate if the political conditions then existing, of maintaining in power a Government representing both of the great political parties, should not continue.

As to this latter subject there was a distinct movement led by the Hon. Robert Rogers, late Minister of Public Works, in favour of renewed Party Government and the re-assumption of Conservative control. A banquet was tendered to him in Toronto on Nov. 28th which was largely attended and at which he refrained from criticism of the Government but stood, above all, for the preservation of Protection by the Conservative party as the basis of national safety after the War and urged an adjustment, and if necessary increase to meet new conditions; this policy and Mr. Rogers' leadership of the movement a Winnipeg Conservative gathering endorsed on Dec. 8th. Meantime, a movement at the beginning of the year in favour of Unionist Governments in some of the Provinces gradually died out; the War-time co-operation of the parties in Ontario however was clearly effective. There were a number of important Government appointments during the year and those not mentioned elsewhere are stated below. It may be added, also, that the re-arrangement in the Saskatchewan Judiciary resulted in the appointment of the following judges to a new Court of Appeal: The Hon. Sir F. W. G. Haultain as Chief Justice, with the Hon. J. H. Lamont, the Hon. E. L. Elwood and the Hon. H. W. Newlands, as Judges of Appeal; the Hon. J. T. Brown as Chief Justice of the Court of King's Bench, with the Hon. James MacKay and four other gentlemen as Judges. The list of appointments follows:

Member of the Senate .....Hon. Pierre Edouard Blondin.
Judge of the Manitoba Court of Appeal.Lieut.-Col. R. M. Dennistoun, C.B.E.
Parliamentary Under-Secretary for Militia and Defence .....Colonel Hugh Clark, M.P.
Parliamentary Under-Secretary for External Affairs .....Francis H. Keefer, M.P.

Member Commission on Conservation ...Wm. Francis Tye.
Postmaster of Toronto .....Wm. Edward Lemon.
Puisne Judge of the Quebec Superior Court .....George Farrar Gibsone, K.C.
Hon. A.D.C. to the Governor-General...Lieut.-Col. W. A. Bishop, V.C., D.S.O
Chief Justice of the Supreme Court of Canada .....The Hon. Sir Louis H. Davies.
Puisne Judge of the Supreme Court of Canada .....Pierre Basile Mignault, K.C.
Lieut.-Governor of Quebec .....Rt. Hon. Sir Charles Fitzpatrick, P.C.
Judge of the Supreme Court of Ontario.Brig.-Gen. William A. Logie, C.B.
Senator of Canada .....John Gillanders Turriff.
Senator of Canada .....Michael Joseph O'Brien.
District Judge of Yorkton, Saskatchewan.Joseph H. Parker.
Juvenile Court Judge for Winnipeg ....Daniel Willis McKerchar.
Chief Justice of the Court of Appeal, Manitoba .....Hon. Wm. Egerton Perdue.
County Court Judge in New Brunswick.Albert Watson Bennett, K.C.
Junior County Judge of Wentworth.....John Gordon Gauld, K.C.
Senator of Canada .....Irving R. Todd.
Senator of Canada .....Robert A. Mulholland.
Senator of Canada .....John Webster.
Clerk of the House of Commons .....Wm. Barton Northrup, K.C. ex-M.P.
Dominion Inspector of Police for the Maritime Provinces .....George R. Rideout.
Deputy Minister of Railways .....Graham A. Bell, C.M.G.
Chief Justice of Nova Scotia .....Hon. Robert E. Harris.
Puisne Judge of the Supreme Court of Nova Scotia .....Humphrey Mellish, K.C.
Collector of Customs, Vancouver .....Brig.-Gen. Victor W. Odlum, C.M.G.
Judge of the Saskatchewan Court of King's Bench .....Hector Y. Macdonald, K.C.
Judge of the Saskatchewan Court of King's Bench .....Henry Viedes Bigelow, K.C.
Judge of the Saskatchewan Court of King's Bench .....Brig.-Gen. J. F. L. Embury, C.M.G., D.S.O., K.C.
Judge of the Saskatchewan Court of King's Bench .....George Edward Taylor, K.C.
Chief Justice of the Quebec Court of King's Bench .....Hon. J. B. G. Lamothe.
Puisne Judge of the Superior Court of Quebec .....Albert E. De Lorimier, K.C.
Puisne Judge of the Superior Court of Quebec .....Louis J. M. Loranger, K.C.
Puisne Judge of the Quebec Court of King's Bench .....John Edward Martin, K.C.

War Commissions and Boards of 1918. Of Government Commissions there were many in 1918—those appointed for specific War purposes are treated under the respective Ministers or Departments; others may be briefly considered here. The Commission on Conservation was one of great importance though its work ran outside the lines of popular knowledge. Since its organization in 1909 under the chairmanship of Sir Clifford Sifton, an enormous amount of data as to Canadian resources and development had been collected, classified, and in a large degree published in annual Reports and special volumes; its work covered everything from town planning and housing to water-powers, from disease and nerves and all forms of Health to Reconstruction, from scientific research to

studies of lumber, pulp and newsprint. James White, the efficient Secretary and Assistant Chairman, reported as to the 1918 work that special objects of investigation had been the preservation of forests from fire and the white pine blister pest—with a Pathologist studying various tree diseases of a fungous nature; the question of reforestation of the pulp-wood regions in Quebec; the investigation of water-powers and utilization of coal. There was some notable practice work on 16 farms in Dundas County, Ont., which involved a taking of the Experimental farm idea to the farmer.

At a Mining Institute meeting in Montreal on Mch. 3rd, Mr. White denounced that body for an attack upon the Commission and described, at length, its work. One point was particularly effective—the Commission had defeated an application for damming the St. Lawrence at the Long Sault by an American corporation, and also an application under the guise of a Canal charter which, if granted, would have alienated to a corporation all the water powers of the Pigeon, Rainy, Winnipeg and Saskatchewan Rivers between Lake Superior and the Rocky Mountains. A flood of other water-power legislation was, he said, withdrawn after that. The Town Planning branch of the Commission's work was, also, important and Thomas Adams, its adviser in this connection, declared on Nov. 12th that 690,000 deaths occurred annually on this continent from preventable causes while the yearly expenditure of $90,000,000 upon feeble-minded children and $600,000,000 upon crime could largely be averted by revised Civic planning; he recommended better machinery for public control of land, a comprehensive survey of conditions in rural territory, new methods of administering highways and municipal affairs, model regulations as to sanitation, housing and building construction, carefully-planned model towns as object lessons, Provincial planning Acts as outlined by the Commission. At the close of the year Sir Clifford Sifton resigned the Chairmanship of the Commission. Meantime, the 9th Annual Report was, as usual, large and comprehensive with valuable articles and great stores of information. Special pamphlets or larger publications of the year dealt with Fishways in the Inland Waters of British Columbia and was written by A. V. White; Utilization of Fish waste in Canada by J. B. Fielding; Electric Generation and Distribution in Canada by Leo G. Denis; Forests of British Columbia by H. N. Whitford and R. D. Craig. The two latter were most elaborate studies of the subjects specified.

The 10th Annual Report of the Civil Service Commission—Hon. W. J. Roche (Chairman) M. G. La Rochelle and Clarence Jamieson —reviewed the growth of reform in this connection and the abolition of the Patronage system; described the difficulties of this last great change which involved the sudden placing of 40,000 positions in the Outside Service under control of the Commission; included a Memorandum on Superannuation together with reports on several subjects investigated for the Government. Amongst other matters this Commission reported under technical advice of F. H. Gis-

borne, K.C., as to reform regulations along the lines of Government policy and as preliminary to the Patronage enactments which were to follow; by Order-in-Council of Feb. 9, 1918, on the Prime Minister's recommendation, preference was ordered to be given in all appointments to returned soldiers passing the Civil Service examinations. In this general connection a vigourous agitation was initiated by *The Civilian* of Ottawa and the Civil Service Federation of Canada against the appointment of W. S. Weldon as Collector of Customs at Montreal and of A. G. Acres as Postmaster at Ottawa because of their alleged political character. On the other hand the Government was congratulated upon the promotions of L. Roy Cane and A. C. McMicken to be, respectively, Assistant Receiver General at Toronto and Winnipeg and that of Bedford Phillips to be Postmaster at Fredericton.

On Feb. 18th an Order-in-Council was passed defining and applying the Government policy in this respect until permanent legislation was passed. In brief, it was provided that every appointment to the Outside Service, including all postal officials, Customs and excise officers, Public Works employees, messengers, sorters, and, in fact, every person joining the Federal Civil Service, even in a temporary capacity, should be made only with the approval and on the recommendation of the Civil Service Commission. As to this legislation Messrs. Maclean, Carvell and Robertson of the Cabinet were appointed to confer with the Civil Service Commission. Under the old system the whole 5,000 appointments to the Inside and 35,000 appointments to the Outside Civil Service had been made as a portion of Government or Party patronage; under the new system the whole Service was to come under the Commission and, as to new appointments, under competitive examination. Even the old appointees were to be weeded out by means of pensions and allowances and, on May 6th, Hon. A. K. Maclean gave notice of a resolution in the Commons instructing the Civil Service Commission to prepare forthwith and submit to the Government a list of Government employees who, "owing to advanced age, failing health, or lack of experience or ability, or other cause, are not capable of rendering, or do not render, efficient service to the State, and should therefore be retired from the public service."

Meantime the Government had dispensed with patronage in all its Departments and the purchase of all supplies had been placed in the hands of the War Purchasing Commission. Incident to this situation and coming under the Commission's jurisdiction to some extent, was the insistent demand of the Civil servants in Ottawa for higher salaries or a substantial bonus. A delegation headed by F. Grierson, President of the Federation, waited on the Government (Oct. 8th) and demanded that a bonus of $350 be given to each and every official or worker in the Civil Service; they also asked for the appointment of Hon. G. D. Robertson as Minister of Personnel. A Mass meeting of 3,500 repeated this request on Nov. 2nd and, five days later, an Order-in-Council granted a war-bonus

amounting to $175 each to Inside Service employees receiving not more than $1,800 a year—the distribution and allotment to lie with each Department and no one person to receive more than $250—as also, an addition to allowances voted for this purpose by the Parliaments of 1917-18. The Civil Service Federation resented the amount and its disposition and issued a vigourous and more than critical statement on Nov. 9th; *The Civilian,* for December, demanded a Conciliation Board or arbitration; Sir Thomas White, acting-Premier replied (Nov. 26th) to the Federation, referred them to the Civil Service Commission, reminded them that a reclassification and re-organization of the whole Service were underway, and that the current bonus would, as a total, amount to $8,000,000 which was about all the Government could ask the tax-payers for at this juncture. This Commission was also concerned in the salary phases of the Postal strike during the summer.

The 1st Report of the Advisory Council for Scientific and Industrial Research was published in October as presented by Prof. A. B. Macallum, F.R.S., Chairman. He reviewed the wide field of work undertaken by this body at the request of the Government and including such matters as the cultivation of flax for making the linen required in aeroplanes; the conditions of cold storage as affecting fish, meats, fruits, etc.; the acute Salmon question in the Fraser River and British Columbia waters with the conclusion that unless an arrangement was come to with the United States the fish would be in danger of extinction owing to the overwhelming use of traps, seines and nets; the investigations into swamp fever and wheat rust; the study of such matters as Hydro-power, potash and phosphates, nitrogen, fixation, munition plants and their after-war use, Western lignites and their uses, Land classification, soil survey, etc.; the elaborate study of Forestry conditions and of such problems as production of Potassium salts, Fish waste, and the making of industrial alcohol from wood and Toluene from Sulphite liquor.

The War Purchasing Commission was a permanent body with large powers—at first intended to direct the purchase of war supplies and, by 1918, acting as the purchasing authority for all supplies whether war, or Departmental, or for Government needs in general. The Commissioners were Senator Sir Hormisdas Laporte, Montreal, (Chairman), G. F. Galt, Winnipeg and W. P. Gundy, Toronto. The method of operation had gradually evolved into a complete, business-like administration. When, in 1918, the various Departments wanted anything the Commission was consulted. Tender forms were sent out to all who were on the lists, and when the bids came in they were opened in the presence of an officer from the Department and one from the Commission. The prices were scheduled and the Department officers, on the basis of the quotations, recommended the acceptance of a particular tender. This information went to the Commission which either sanctioned it or made further inquiry. While the contract was really awarded by the

Department, the supervision of its operations was under the Commission. The general principle followed in buying for all the Departments was to have the contracts supervised by people experienced in the trade concerned. The great extension of the Commission's powers was by Order-in-Council on Feb. 7th, 1918, and the only limitations were with respect to supplies of small value which might, from time to time, be urgently and quickly required at points distant from Ottawa; purchases of supplies for the Government system of Railways, or of special purchases where the provisions of the new order could not be enforced "without detriment to the public interest."

A body which was local in name but national in its work was the Ottawa Improvement Commission which came into existence under a Federal statute in 1899, with the object of co-operation with the City authorities for the improvement and beautifying of Ottawa and its vicinity and with an authorized Government grant of $60,000 a year for 10 years—increased in 1909 to $100,000 for a further period of 10 years. Debentures were issued totalling $270,373 and this money, with the Government grants of $1,600,000, were utilized in various construction work, in parks and driveways and the acquisition of land, which unquestionably greatly beautified the capital. The Commission during 1918 besides the Chairman, Sir H. K. Egan, included Senator J. P. B. Casgrain, Gilbert Fanquer, E. G. Laverdure, J. B. Fraser, B. Slattery and the Mayor, *ex-officio,* with Wm. Kearns as Secretary. The first Chairman was Sir Henry Bate.

There were a number of minor Commissions appointed during the year. On Jan. 22nd T. Sherman Rogers, K.C., (Chairman) County Judge W. B. Wallace, and F. L. Fowke, ex-M.P., of Oshawa constituted the Halifax Relief Commission, to look after distribution and other matters in respect to the Halifax explosion of 1917; on Mch. 28th Major Thomas Robb, Montreal, J. N. Bales, Montreal, and J. W. Harrison, Halifax, were appointed to look into and investigate the pilotage system of Eastern ports and the same body, with the substitution of Henry Pybus, Vancouver, for Mr. Harrison, to investigation the Pacific port system; the Hon. J. A. Chisholm, Halifax, (Chairman) the Rev. Dr. John Forrest, Halifax, and J. B. McLachlan, Secretary of the Amalgamated Mine Worwers, were appointed (Apr. 22nd) to investigate the unrest existing as to wages, peace-work, hours, time, overtime, and other labour conditions in the Province of Nova Scotia—particularly the industries of coal mining, steel making and the operation of the N.S. Steel and Coal Co.; the Hon. F. S. MacLennan, Quebec, T. E. Robb, Montreal and J. M. Walsh, Quebec, were appointed Commissioners on behalf of Canada, at and upon a Joint Conference to consider proposals for a settlement of outstanding Fishery questions with the U.S. Government; the Hon. F. S. MacLennan was appointed to investigate conditions at the Engineers Training Depôt, St. Johns, P.Q., and Hon. J. D. Hazen, St. John, G. F. Desbarats, C.M.G.,

Ottawa and W. A. Found, Ottawa, to investigate into and report upon the unrest existing in the Province of Quebec between firms engaged in shipbuilding and their employees.

As to other public bodies of this nature it may be added that a Commission was appointed on War Records and Trophies (Dec. 11) to report on the best action to be taken for organization of a permanent War Museum, with Sir Edmund Walker, Toronto, Dr. A. G. Doughty, C.M.G., and Brig.-Gen. E. A. Cruikshank of Ottawa as members; that a Government Board regarding Economies in Public Printing and Publications issued its Report on Jan. 25th with recommendations which were expected to effect savings up to $5,000,000 a year—its members being Fred. Cook, F. C. T. O'Hara and F. C. Lynch. Another Board appointed during the year was in connection with the ever-present Coal question. After considerable discussion between the Dominion Government and those of Saskatchewan and Manitoba an agreement was come to in September for a testing of the Lignite coal of these Provinces under the auspices of a Federal body to be styled the Lignite Utilization Board. Its members were to serve without remuneration and an experimental plant was at once to be constructed in the Souris district of Saskatchewan with a capacity to manufacture 30,000 tons of briquettes each year. The Federal Government was to pay $200,000 toward the cost and the two Provinces $100,000 each. The Board eventually appointed was made up of R. A. Ross, an eminent Engineer of Montreal, J. M. Leamy, Provincial Electrician of Manitoba, and J. A. Sheppard, a well-known business man of Moose Jaw. It was hoped that this practical effort to carbonize lignite coke, or charcoal, would produce a fuel suitable for domestic and manufacturing purposes with, also, by-products such as oil, pitch, ammonia, sulphate and gas.

Administration of Military Affairs by General Mewburn and Mr. Doherty.

As Minister of Militia and Defence Maj.-Gen. S. C. Mewburn, C.M.G., had a responsible and difficult position to administer in 1918. It is true that the Department was divided and that the war-work abroad and responsibility for administration of the Military Forces of Canada in England or France, were in the hands of Sir Edward Kemp; it is also true that the legal enforcement of the Military Service Act was in the hands of the Hon. C. J. Doherty, Minister of Justice, and its details under control of the Military Service Branch of that Department; yet the other issues requiring settlement, and conditions to be met at home, were quite enough for one Minister to handle. The Report of the Militia Council for the year ending Mch. 31, 1918, showed ordinary expenditures of $3,887,838 and War expenditures of $316,669,785 compared with the following figures during other years of the War period: 1914-15, $9,991,817 and $53,176,614 respectively; 1915-16, $4,681,502 and $160,433,416; 1916-17, $4,301,785 and $298,291,031. The total expenditures of the Department in Canada under War appropriation up to Mch. 31, 1918, was $466,343,986 and the total expended

abroad $362,226,858; the total of the Permanent Force at the above date was 2,391, the officers appointed to the Active Militia during the year totalled 1,971. Between Jan. 1st and Nov. 15th, 1918, this Department was responsible for the despatch of 73,630 men overseas. The completed war-work of the Department as to men showed the following result for 1914-18:

Obtained by Voluntary Enlistment	465,984
Drafted or reported voluntarily under the M.S.A.	83,355
Granted leave or Discharged	24,933
For Overseas Service* Other than the C.E.F.	21,169
Total	595,441

Besides this total of 595,000 men 14,590 British and Allied reservists voluntarily rejoined the Forces in their different home countries. The total sent Overseas as part of the C.E.F., or Canadian Corps, was 418,052. To carry on the Canadian part of this work General Mewburn had an efficient and by this time experienced staff. The Militia Council, of which he was *ex-officio* President, was composed of Maj.-Gen. Sir Eugene Fiset, C.M.G., D.S.O., as Deputy Minister, Maj.-Gen. W. G. Gwatkin, C.B., C.M.G., a trained and experienced British officer, as Chief of Staff, Brig.-Gen. E. C. Ashton, C.M.G., Acting Adjutant-General, Maj.-Gen. J. Lyons Biggar, Acting Quartermaster-General, Maj.-Gen. H. M. Elliot, C.M.G., Master-General of the Ordnance and Brig.-Gen. J. G. Langton, Paymaster-General. General Mewburn did not have to organize things as Sir S. Hughes did in the first stages of the War, or to re-arrange methods and change conditions in the degree found necessary by Sir E. Kemp; but he did have to deal with the Conscription Act and its varied problems and to administer a great Department whose expenditures ran up to hundreds of millions.

A certain re-organization arising out of new war conditions was found necessary early in the year and on Mch. 12th it was announced that the Minister had reviewed the machinery of the Department, dispensed with the services of 400 clerks in the Records branch, and greatly changed matters in that of the Separation Allowance branch by the use of tabulating machines, etc.; the demobilization in England of about 20,000 soldiers physically unfit, between this date and June 1st was, also, arranged, and the principle laid down that these men were not to be kept on the pay-roll unless usefully engaged; invalided cases of a long-time character were to be specially dealt with and the others to re-enter civil life and work. Meantime, on Jan. 26th the Minister had published a statement framed so as to (1) acquaint the relatives and friends of soldiers serving in the Canadian forces with the policy which had been adopted as to promotions, transfers, furloughs, and kindred matters; (2) to inform those interested where to direct inquiries and to thus receive as promptly as possible the information desired.

*Note. Including Royal Air Force, 12,902, Imperial Motor or Water Transport, Naval Service, etc.

During succeeding months the dual control of the Militia Department and that of Justice over the Military Service Act worked fairly well and the enforcement of the Act by Mr. Doherty as Minister of Justice up to the time when the draftee was handed over to the Military authorities was most efficient. One change, however, was found desirable and on May 31st the Dominion Police were placed under the Militia Department and became the Canadian Military Police Corps, with Colonel G. Godson-Godson, D.S.O., Provost Marshal in charge. Up to this time the situation had been as follows, according to the Director of the Military Service Branch (Colonel Machin), in his final Report to the Minister of Justice: "The duty of the Military Service Board was to make provision for the registration of draftees; to order them for medical examination before Military Medical Boards constituted by direction of the Director-General of Medical Services; to carry their claims for exemption through the proper judiciary process, and finally to issue to those eligible orders to report for duty in such volume as the Military might require. As soon, however, as a man failed to register within the time limited, or as soon as the date set for his reporting for duty fell due, he passed entirely from our jurisdiction to that of the Military."

As a new member and a new Minister, General Mewburn delivered his maiden speech in the Commons on Apr. 10. It was a carefully prepared outline of the methods and system of training, a plea for speeding up the tribunals, a generous tribute to the heroism of the men in France. His reference to the surplus officers who could not go from England to the Front because their Battalions were broken up as re-inforcements was worthy of record here: "258 Battalions were raised, each having from 36 to 40 officers, senior and otherwise. Many of these were highly trained officers who had given years of their lives to training others; others had only joined the forces since the outbreak of war. With very little financial assistance from the Government they raised these Battalions and took them overseas. But most of them were over-age and could not revert to a lower rank; no matter how anxious, they were unable to get to France; when they came home humiliating conditions and opinions were frequently met." Early in June the Minister was in Montreal and Quebec and at the latter city, on the 5th, was welcomed by the Bench and bar in a formal address to which he replied in part, as follows: "I for one have never for a moment doubted the loyalty of Quebec and its people; and from the wonderful things I have seen during my visit, my firm conviction has been strengthened. You know that the situation at the Front is serious. more serious than it seems to be regarded in certain quarters. Hence we have decided to send over as many men as possible. Permit me to say that I am putting forth every effort that recruited French-Canadians be kept together in distinct units, commanded by officers of their own race and tongue."

In July General Mewburn was in London attending the Imperial

War Conference accompanied by Col. H. C. Osborne, Military Secretary. In August he visited the troops at the Front and on the 14th at a Pay Corps dinner, in London, spoke of the wonderful team play of the Canadian troops and added: "Our team play must start from the Corps Commander in France; we must have no intrigues, no self-seeking, sinking everything in our determination to win the War." On his return the Minister issued a statement (Aug. 27th) of conditions at the Front so far as they could be made public; eulogized the work of Sir E. Kemp and General Turner in England—especially for the reduction of unnecessary staffs, promotion of economy and increased efficiency; declared that the continuous and adequate flow of reinforcements had been a most important factor in creating and maintaining the high *morale* of the Canadian troops; described Sir Arthur Currie as an officer "who has by his thoroughness and understanding ability, earned the highest opinion of all competent authorities." The Minister was in the West during October and at Vancouver on the 7th, stated that 15,000 soldiers were on harvest leave but would be expected shortly to take their places at the Front; a little later he stated that 1,200 Canadians a month were marrying in England.

Speaking to the veterans of Vancouver he mentioned the fact that "six of my closest blood relatives have paid the supreme sacrifice and six others have been wounded in France. I have been connected with the Militia all my life and when I had to retire from my command before the War it was one of the greatest regrets of my life that I could not go to France." At Victoria on the 12th he stated that this city would be the base of a Siberian force of 5,500 men—with the Artillery at New Westminster and the Cavalry at Regina. The Minister was accompanied by Generals Ashton and Biggar. He addressed the Canadian Club, Toronto, (Dec. 16th) on Demobilization and the War record of the Government and on Dec. 23rd sent a Christmas message to the Troops overseas: "To-day you can look back upon a year in which the British arms bore adversity with fortitude, refused to despond when things were at their darkest, returned to the offensive at the critical moment and, in three months' fighting such as the world never had seen before, won a victory unexampled alike for the glory won and for the service rendered humanity. In this warfare of the giants, you have borne a part which fills us with pride and gratitude which we cannot express."

Other incidents associated with this Minister included the difficulty of keeping up the Militia while straining every nerve to get men for active service. It was the feeder of the Army, the training and sentimental centre of its home life, the nucleus of a much-needed home Force when the War should be over, but the usual financial support from the Government was lacking during these war years and some criticism was inevitable. As to the Militia officers who had not gone overseas and regarding staff positions in Canada,

as a whole, General Mewburn made this statement in the Commons on Apr. 17: "A large number of officers were retained in Canada against their will, by superior authority, on the assurance that they should be enabled to proceed Overseas. These officers, who have been prevented through no fault of their own, have done good work in organizing, training and sending reinforcements overseas. I have laid down the policy, that returned officers, N.C.O's, and men, having regard to efficiency, shall in every instance, get the preference (in appointments). Of the officers on the depôt Battalions which are being raised in each Military District to handle men under the M.S.A., over 75 per cent. are returned officers who have seen service Overseas."

In March the organization of a Tank Battalion was started in response to a request from England. It comprised 700 men and 87 officers and was rapidly recruited and sent across; a 2nd Battalion was ready to embark in September and a third was authorized on Oct. 7th. The Royal North-West Mounted Police got their long-desired chance in this year as a result of the Provinces taking over a large part of their duties. In April a Cavalry force was organized from their ranks for active service under command of Major G. L. Jennings; various changes took place and on Sept. 26th it was announced by Commissioner A. B. Perry, C.M.G., at Regina, that the R.N.W.M.P. was now a recognized unit in Canada's army and had been made a distinct section of the C.E.F., with three units —a Cavalry squadron for active service on the Western front, a Tank battalion for service on the same front, and a Cavalry squadron for service in Siberia. These forces were duly sent abroad leaving about 500 at home with Western functions similar to those of the Dominion Police in the East.

Meanwhile, the Minister of Justice, who shared in the military work and responsibilities of the year had no easy task to perform. The Ministry of Justice in Canada was not usually a spectacular post, but its duties were heavy and Mr. Doherty during this year had many legal and constitutional problems to deal with—the question of enlarged governing powers under the War Measures Act, the continuous issue of important Orders-in-Council, the legal administration of the Military Service Act, advice upon all kinds of legal developments arising out of the War from time to time. He had, also, much to do with the preparation of legislation for the yearly Session of Parliament and for a time was acting Prime Minister and involved in the settlement of the Postal strike.

Early in the year Mr. Doherty had taken a brief period of rest in California; later on there occurred the curious Guelph College incident which excited so much discussion; in June-July the Minister was Acting-Premier and tendered an official welcome on June 27th to the famous visiting French Regiment, the Chasseurs d'Alpine or "Blue Devils," with a luncheon to the officers at the Country Club, Ottawa; to him on July 4th, was tendered a Dinner at

the Mount Royal Club, Montreal, with Huntley Drummond in the chair, and a most representative gathering present. In his speech Mr. Doherty declared that no greater duty existed in Canada than the elimination of Provincialism and sectionalism so as to get away from the class and creed divisions which had done so much harm. The after-war work of all the leaders of Canada should, he declared, be directed to unifying the people. During his period of administration as Premier Mr. Doherty had to deal with difficult problems in respect to the M.S.A. enforcement and his treatment of the issue presented at Calgary was strong and effective. So, in respect to the questions raised in the Postal strike and voiced in his statement of July 29th:

> Reasons for objection on the part of the Government to appointing a Conciliation Board are that it is obviously impossible for the Government to hand over its functions to any outside body. One of the executive functions of a Government is to carry on public service in accordance with decisions of Parliament, and see that public employees are fairly and justly remunerated within the limits of the provision for that purpose made by Parliament, or such provisions as the Government in the exercise of powers conferred by Parliament, may make.

Racial and religious issues are easily raised in Canada, and Mr. Doherty was, during this year, the victim of an incident which must be briefly explained—it being premised that the Minister of Justice was a Roman Catholic who was much respected by all who knew him for high character and the absence of all bigotry. On June 20 a despatch in the Toronto *Telegram* from Guelph quoted the Rev. W. D. Spence, a Congregationalist and President of the local Ministerial Association, as follows: "About ten days ago the Jesuit Novitiate College, near Guelph, was visited by Dominion Police. Forty-six men were found on the premises and of this number 22 had entered since the Military Service Act came into force. The police were not able to effect any arrests, because of instructions from Ottawa. It has been definitely learned that some of these young men have no intention of studying for the priesthood and are merely making the institution a hiding place where they will be safe from the operation of the Act. Among the 22 who have entered since the Act came into force, in fact one of the most recent arrivals, is the 20-year-old son of Hon. Mr. Doherty, Minister of Justice. It has been decided that the status of these 22 men is to be left in the hands of the Department of Justice."

This statement was published all over Canada and the Rev. Father H. Bourque, Rector of the Novitiate, at once issued a positive denial with the statement that particular pains had been taken at all times to accept none into the Order who were subject to the Act or to any war regulations or Orders-in-Council. Representatives of the Government had, he said, visited the Novitiate and made many inquiries; all of these had been fully answered, and every opportunity had been given to make any official investigation desired. The Rev. Father William Power, Superior-General of the Order, also strongly repudiated the charges. Mr. Doherty issued

an additional statement describing the references to his son as "absolutely false" and adding: "At the time he entered the Order he was, by reason of his age, subject to no obligation under the Act. Moreover, it had been, in the most authoritative manner possible, determined that he was physically unfit for service." The Department of Militia looked into the matter and reported (June 21st) that:

> On the information available there can be no question but that all the young men, (in the Novitiate) except two named, are free from liability to military service by virtue of the 5th exception in the schedule to the Military Service Act, which excepts all members of an Order of an exclusive religious sect which the St. Stanislaus Novitiate undoubtedly is. It appears that the son of the Minister of Justice entered the Order on Mch. 30th, 1918, when he was under no liability under the Military Service Act. Before taking this step he presented himself for a medical examination before physicians, of whom two were members of the Medical Board of Review in Montreal, and their findings were that his condition was such that it would be necessary to place him in category E, which would make it impossible for him to undertake military service.

Father Bourque at once explained that one of the two men specified was an American with United States exemption papers and the other a tonsured Jesuit and a cleric; General Mewburn, Minister of Militia, telegraphed his regret at the action taken on June 7th and described it as an error of judgment; Capt. A. C. Macaulay, the officer in charge of the raid was removed to Winnipeg. The ensuing controversy was heated—papers like the Orange *Sentinel* and Toronto *News* demanding an investigation and action; others charging the Order in question with disloyalty and others again alleging favouritism in the treatment of Catholic students over those in Protestant institutions. The Montreal *Gazette* put another side of the shield by describing the Loyola (Jesuit) College of that city as having 235 graduates enrolled in the Army with a majority of its students under training. The Rev. Father Power, in a general interview, stated that in the French armies there were 750 Jesuits from all over the world and that 112 had been killed, 20 taken prisoners, and 48 wounded. Of the 528 Jesuits still on active service 27 had merited the Legion of Honour, 16 had won the Military Medal, and 200 the War Cross—with other decorations totalling 490.

Meantime, the Guelph Protestant Ministers charged the Government with suppression of the facts and Mr. Spence even used the word Kaiserism; Father Power responded by declaring that a few "clerical firebrands" did not represent the best elements of Protestantism. Col. H. A. C. Machin, M.L.A., in an interview at Montreal on June 24th, declared there was a conspiracy to compel the retirement of Mr. Doherty because he was a Catholic and added this statement: "The greatest menace to the Province of Ontario is the Methodist Church, which seems to make us in Ontario the most hypocritical body or class of people in the Dominion of Canada." The Rev. H. G. Christie of Guelph publicly attacked the Minister of Justice and charged him with "drawing up the Military Service

Act so that Catholic students might escape from Conscription!" The Exemption clause involved was as follows: "Clergy, including members of any recognized Order of an exclusively religious character, and ministers of all religious denominations existing in Canada at the date of the passing of the Act." The ensuing contention of Father Power was that in Great Britain and the United States, as well as Canada, "if a young man enters the Order today, and is not of military age, he becomes a member as soon as he enters the Novitiate and takes up residence." Out of this incident arose a volume of sectarian charge and counter-charge and its importance rests largely upon the ill-feeling aroused by such issues. Finally, the Methodist General Conference at Hamilton, on Oct. 12th, refused to discuss the matter and tabled a Resolution on the subject presented by Rev. Mr. Christie of Guelph.

The Abrogation of Certain Exemptions. Meantime the Minister of Militia and his Department were doing their utmost to obtain more men, to implement the Government's pledge of 100,000 reinforcements under the Military Service Act, to recruit in a voluntary as well as compulsory manner. The Military Service Act had come into operation on Oct. 13, 1917, though no call for men was made until Jan. 3, 1918; its enforcement was placed in the hands of the Dominion Police under the Department of Justice and, after the end of May, 1918, under that of the Militia Department—the reorganized force being also assisted in the West by the R.N.W. Mounted Police. The authorities had no easy task in this matter as the country had already been drained* of 437,000 of its most eligible, enterprising and patriotic men—a total equal to 5,500,000 if similarly raised in the United States; though conditions improved greatly in Quebec, there still remained various difficulties there while the Tribunals dealing with exemptions and appeals often became clogged and caused delay; the farmers in parts of the country fought the removal of their sons' exemption very keenly; there was also the tendency in certain quarters, and amongst many tribunals, to interpret the already liberal exemption clauses too generously.

Acting under the Minister of Justice in administering the Act was the Military Service Council with E. L. Newcombe, C.M.G., K.C., Deputy Minister, as Chairman. On June 15th, 1918, this body was disbanded and the Military Service Branch took its place as a Departmental institution with Lieut.-Col. H. A. C. Machin, M.L.A., as Director. There were 15 Registrars or Deputies acting throughout the Dominion with an elaborate judicial machinery consisting of local tribunals, appeal tribunals, and a Central Appeal Judge (Hon. L. P. Duff of the Supreme Court of Canada) who had the final power of decision on all points. Military Medical Boards were also established in each Military District with Boards of Review created in 1918 and a final appeal on physical fitness to the Central

*Note. See also this Section in the volume for 1917.

Appeal Judge. At the beginning of 1918 there were, approximately, 600,000 unmarried men available between the ages of 20 and 34; many of them were the sole support of widows and families, many others were in so-called essential occupations, a certain proportion were medically unfit, a large number were subject to a Nationalist propaganda in Quebec which made them unwilling to enlist; the Government's duty was by persuasion or compulsion to raise another 100,000 from their ranks.

By the beginning of 1918 the organization referred to above had been completed, a Registration of man-power effected, an elaborate system of regulations and instructions compiled, splendid publicity and educational and statistical systems established, appointments and re-organizations of tribunals effected. Then the crisis of the War came and was indicated in the following cable on Apr. 1st from Mr. Lloyd George to the Governor-General: "As already announced, we propose to ask Parliament to authorize immediate measures for raising fresh forces. I would also urge the Government of Canada to reinforce its heroic troops in the fullest possible manner, and with the smallest possible delay. Let no one think that what even the remotest of our Dominions can now do can be too late. Before this campaign is finished, the last man may count."

Immediate action was taken in hurrying operations in every direction and on Apr. 19 the gravity of the situation was further recognized by Sir Robert Borden moving in the House an unprecedented Resolution which asked Parliament to sanction an Order-in-Council amending the Military Service Act and authorizing the calling out at once of men from 20 to 22 inclusive and, if necessary, from 19 to 23 years of age, for reasons given in these words: "Whereas there is an immediate and urgent need of reinforcements for the Canadian Expeditionary Force and the necessity for these reinforcements admits of no delay; and whereas it is deemed essential that, notwithstanding exemptions heretofore granted, a substantial number of men should be withdrawn forthwith from civil life for the purpose of serving in a military capacity; and whereas, having regard to the number of men immediately required and to the urgency of the demand, time does not permit of examination by exemption tribunals of the value in civil life, or the position, of the individuals called up for duty."

The Prime Minister, in his speech, admitted possible hardships and inequalities but he would not parley with the issue: "The proposals of the Government will provide in the immediate future adequate fighting forces for the support of our soldiers, and it is the duty of this Parliament upon its responsibility to the people of this country, by whom it was elected, to see that these reinforcements are provided. As to our duty, the first line of defence is held in France and Flanders; the second line of defence is here. Will those in the second line desert and betray the first?" Sir Wilfrid Laurier opposed the proposal on the ground that: "The

resolution which we are called upon to sanction involves a wide departure from the enactment of the Military Service Act. It involves, I am sorry to say, a still wider departure from the principle of constitutional government, of which at one time we were proud, and which we have always considered a safeguard of the people against the encroachment of the Executive power."

He criticized the Government for its Orders-in-Council, for the alleged failure of the M. S. A. in its Quebec administration and urged the exemption of farmers' sons. Messrs. Rowell and Carvell spoke for the Government policy; J. P. Molloy and Joseph Reid (Laurier-Liberals) moved an amendment to exempt all young men engaged in the production of foodstuffs upon Canadian farms but it was beaten by 118 to 69; the six months hoist was then moved by L. A. Lapointe and H. Deslauriers of Montreal and defeated by 117 to 62 and the Premier's motion was accepted by 114 to 65. The Hon. W. S. Fielding voted with the Government, as did A. B. McCoig, D. C. Ross, and W. C. Kennedy—the three latter being Ontario supporters of the Opposition. An Order-in-Council was at once passed (Apl. 20) by which all unmarried men of 19 years and those who had reached the age of 20 before Oct. 13th, 1917, were called to register—though they were never called to the colours; under another Order, of the same date, the exemptions of men of 20, 21, and 22 years of age were abrogated.

All kinds of movements, changes in treatment of exemptions and of details in enforcement followed; everything was speeded up and discussions throughout the country were sometimes heated—especially among the farmers and some French-Canadians. The Boards of Review were given power, after investigation, to order exempted men to report for duty; the Western Mounted Police were permitted to enlist in a Cavalry force for active service; the drafted forces were hurried in their training—the first of these soldiers getting into the trenches about Apr. 1st after 14 weeks' severe work in England. It may be added here that up to this date, (Mch. 31, 1918), the sailings of officers and men for Overseas had totalled 364,750 of whom the classification by occupation was as follows: Professional men, 13,676; employers and merchants, 6,529; clerical workers, 52,124; skilled labourers, 160,198; unskilled labourers, 67,078; farmers, 51,284; ranchers, 3,210; students, 10,651. The total enlistment according to Military Districts was as follows:

Military District No. 1	Headquarters at London	25,533
Military District No. 2	Headquarters at Toronto	76,597
Military District No. 3	Headquarters at Kingston	39,393
Military District No. 4	Headquarters at Montreal	32,463
Military District No. 5	Headquarters at Quebec	8,389
Military Districts Nos. 6 and 7	Comprising Maritime Provinces.	37,205
Military Districts Nos. 10 and 12	Comprising Manitoba & Saskatchewan	75,503
Military District No. 11	British Columbia	36,475
Military District No. 13	Alberta	33,192
Total		364,750

On May 13th the Militia Department issued a statement that every man ordered by the Registrar to report must do so on the date specified, whether he proposed to claim leave of absence or not. Should he be between the ages of 20 and 22, both inclusive, leave of absence would be granted on one ground only, namely, that he was the sole remaining son of military age in the family, the others being already serving or having suffered death or disablement. At the same time an Order-in-Council provided that every one in Class I of the M.S.A. must carry upon his person written proof of exemption or non-liability for service; a Proclamation (May 4th) also stated that all youths of 19 years were to report for service, though any married prior to Apr. 20th would be exempted; by suggestion of the Minister of Militia changes were made in regulations under an Order-in-Council of May 25, which provided for certain cases of severe hardship in the calling of men to the colours; under a ruling of this Department officers attached to Militia regiments were made liable for inclusion in the drafts of this period.

The Military Service Act in Quebec. Meantime the Orders-in-Council of Apl. 20th cancelling exemptions of the 20-22 class and calling the 19-class for registration met with stern opposition in certain quarters as, indeed, had the whole enforcement of the Act since the beginning of the year. The most spectacular opposition came from Quebec. There was at first no open refusal to serve, no rioting, no serious talk of opposition—outside of the continuous Nationalist propaganda which could lead nowhere else in the end. At the beginning of the year the unmarried men of 20 to 34 had been called to the colours but with many exemptions in the 20-22 class. The *Canadian Military Gazette* of Feb. 26 declared that there was a form of passive resistance in Quebec at this time with the Courts "submerged beneath it"; there was something of this condition everywhere but Quebec appeared to the worst advantage because the proportion of men already enlisted from the Province was not so large as elsewhere. In the Commons on Apr. 5th Sir Robert Borden stated that "in many parts of that Province exemptions were granted almost wholesale by the tribunals of first instance" and the 32,000 appeals made by the Military authorities from the exemptions granted by local tribunals appeared to prove this statement; at the close of February there were about 30,000 appeals still pending in the Province and, after conferences between the Minister of Justice and Appeal Judges, arrangements were made to greatly expedite matters; at this time 22,000 draftees from all Canada were in uniform of whom 2,000 were from Quebec.

Then followed the rioting in Quebec City on Mch. 28 and succeeding days during which the mobs broke from all control, practically destroyed the office of the Deputy Registrar, M.S.A., burned or ruined many of his fyles and official documents, wrecked the offices of the Quebec *Chronicle* and made necessary the exceptional act of calling upon the military authorities—when the Mayor (H.

E. Lavigueur, M.P.) failed to present a requisition or to read the Riot Act—by the Officer Commanding the District (Brig.-Gen. J. P. Landry) for the protection of property and the restoration of order. This was done by the Minister of Militia with about 800 men called out; later, under command of Maj.-Gen. F. L. Lessard, who was sent down by the Department to take full charge, 1,000 reinforcements were added. The military action was afterwards legalized by an Order-in-Council of Apr. 4 which was made to apply, also, to similar conditions arising elsewhere in Canada: "The Governor-in-Council, may, within the affected area which he shall designate, supersede or supersede to such extent as he may specify, until his further order, the jurisdiction and powers of the Civil Courts, and declare that within the said area the orders of the General Officer or of the Officer Commanding the troops, shall in all respects be obeyed by the civil population, and that offenders against the law, or persons disobedient to such military orders, shall be tried and punished by court martial." On Apl. 1st despite notices from General Lessard placarded everywhere and requiring citizens to remain at home, a great mob gathered at night and, as officially reported to the Prime Minister and read to the Commons on the 3rd, the worst incident of the troubles followed:

> From house tops, side streets, snow banks and other places of concealment, the rioters opened fire point-blank on the troops who, as on the previous nights, displayed great steadiness and forbearance under severe provocation. But, at length, after several soldiers had received bullet wounds, it became absolutely necessary for the troops to return the fire in self-defence, for the protection of the public, and to prevent the situation passing entirely beyond control. Five soldiers were wounded, and of the crowd 4 were killed, many were injured, and 58 were arrested. By 1.20 next morning order had been re-established and by 5 a.m. the troops had returned to barracks.

As to the immediate cause the trouble arose out of an attempt by the Dominion police to arrest certain defaulters under the Military Service Act; Captain Desrochers, who was in command, reported that the earlier riots would have been avoided if the Civic authorities had taken notice of his repeated warnings and a proper display of protection had been made by the civic police, as requested by him.* Action was immediately taken by the Government as to M.D. No. 5, Quebec. The Registrar (Antoine Gobeil) was relieved and Alleyn Taschereau, K.C., appointed in his place; the subject itself was discussed in Parliament on Apr. 3rd and Apr. 5th. On the 13th a Coroner's jury at Quebec investigated the deaths of the four civilians killed in these riots, and returned an obviously local verdict which, after stating that the victim (same words used in each case) was "killed by a bullet fired from a rifle by the soldiers of His Majesty's forces while performing the duty of repressing a riot," went on as follows: "The jury is of the opinion that, considering the persons killed on that occasion were innocent of participation in the said riot, which owed its origin to the tactless and grossly unwise fashion in which the Federal police in charge of

*Note. Special Report by Lieut. Col. H. A. C. Machin to the Minister of Justice.

the Military Service Act did their work, it should be the duty of the Government to reasonably indemnify the families of the victims who have been found innocent and unarmed, and to pay indemnities to all who suffered damages from that riot."

Elsewhere in Quebec there were local ebulitions. Up in the Laurentian Mountains there was at least one band of young men armed to the teeth, who defied the authorities. In Lotbinière County sentiment ran high against registration under the call for men and several illegal acts were committed. On June 21st *Le Soleil* of Quebec stated that: "We are led to understand that the various disturbances reported from a number of rural communities are due to absentees under the Military Service Act. If such is the case, the proper authorities should take immediate steps to quell them." Before this time however, the general situation had greatly cleared and the Minister of Militia had been able to state on Apr. 30th that Laval University was leading in the creation of a new spirit and that for the Tank Battalion more men had been offered than could be taken. By June 21st, 55,281 men were registered under the Act and of these 9,970 came from Montreal, with 2,848 from Quebec districts.

The Special Problem of Agricultural Exemptions. The fight of the farmers against the Act was in many respects as determined as that of certain elements in Quebec and it was not devoid of some sensational features. There was, from the beginning a strong desire amongst tribunals and appeal judges, in Government circles and in Parliament, to exempt young farmers so far as possible. The vital need for production and food supplies was an excellent reason for this and only the greater pressure of the German offensive compelled a change in the policy. Meanwhile the farmers had made themselves heard as to exemptions from time to time. On Jan. 6th the Hon. W. R. Motherwell, Minister of Agriculture for Saskatchewan, wired the Minister of Militia that the administration of the Act in that Province was resulting in *bona fide* farmers and farm labourers being drafted. Reports had been received of young farmers being compelled to sacrifice their farm equipment at auction sales in order to comply with orders to report for service and of farmers reducing their live-stock owing to loss of help. He added that many farms would go uncultivated unless these conditions were changed.

General Mewburn replied as follows: "Cannot interfere with operation Military Service Act but can only consider with a view to leave of absence or discharge cases of men actually called up for military service." After that, of course, his policy was influenced by the Order-in-Council of Dec. 31, 1917, which declared that "in any case where a person engaged in agriculture has applied for exemption and been refused, the Minister of Militia and Defence may, by order under his hand, discharge such person from military service." An ensuing Bureau of Labour report of the same Province gave a number of instances of such hardships. About the same

BRIG.-GENERAL W. O. H. DODDS, C.M.G.,
Commanding 5th Canadian Artillery Division, 1918.

BRIG.-GENERAL ROBERT RENNIE, C.B, C.M.G., D.S.O., M.V.O.,
Commanding 4th Infantry Brigade, Canadian Corps, 1917

time Judge Duff, in certain test cases, ruled that when effective labour was being given on farms exemption might be granted to June 1st. On Feb. 8th the Militia Department issued instruction that in view of the growing necessity of maintaining and increasing the food production of the country, special attention should be given to applications for exemption made on behalf of farmers and farm labourers: "An agricultural representative will be appointed for each district by the Department of Agriculture at Ottawa to act as adviser to the Board in cases in which agricultural interests are involved." Whenever possible a leave of 30 days should be given.

On Feb. 21st an Ottawa despatch stated that: "So far, the majority of the exemptions granted by the Central Appeal Judge, Mr. Justice Duff, have been farmers. The larger number of appeals to the Central Appeal Court come from those who plead exemption on the score of agricultural production—nearly half of the 4,000 cases already entered being young men employed in some form of farm labour." It may be added that in all *bona fide* cases when the young man intended to work this year on a farm, the exemption at this stage had been granted. Then came the cancellation of exemptions, and the statement of General Mewburn in the Commons on Apr. 20th that 39,208 men had so far reported and been accepted for service under the M.S.A.; that it was estimated about 70,000 would be obtained from the 20-22 class and that, as to farmers, leave of absence might be granted, without pay, for agricultural work at the option of the District Commanding Officers.

This was not satisfactory to many farmers and a large number of small delegations saw members at Ottawa or poured in their protests; a Parliamentary Sub-Committee reported on Apr. 26th that 50,000 men were needed for the harvest season of August-November; the farmers of Lincoln and Welland petitioned the Prime Minister to modify the Order-in-Council and a series of meetings were held, notably at Brantford, Woodstock, Goderich, Ayr, Galt, Guelph, etc., under the auspices of the Ontario United Farmers' organization, which declared by Resolution that the crops and general production of food would suffer if the farmers had to depend on inexperienced help from cities and towns. So it was to an even greater extent in the Western Provinces; in Manitoba the Legislature discussed the subject on May 3rd and sent delegates to Ottawa to obtain relief; the United Farmers of Ontario held a meeting in Toronto on May 13th with Manitoba delegates present and approved a lengthy Memorial intended to strengthen a unanimous Resolution which asked the Government to instruct the military authorities to stay proceedings and to grant continuous leave of absence to all *bona fide* young farmers; then came the big delegation from Ontario and the West to Ottawa which is dealt with elsewhere.*

At the U.F.O. annual meeting in Toronto, June 9th, severe

*Note.—See Section dealing with Union Government's policy, Pages 411-12.

strictures were passed upon the Government, an appeal to the Imperial Privy Council threatened, and a series of Resolutions passed declaring that under the new conditions many farms had been left without a man on them; that stock was not being cared for and that an alarmingly large number of farms would soon pass out of cultivation; that farmers were losing confidence in the Government and that a serious condition of unrest was prevalent. C. W. Gurney was sent to Ottawa and presented these views to Messrs. Foster and Crerar of the Government, together with a suggestion that the young farmers be kept in Canada for training and be given leave of absence to harvest the crops. On June 13th H. W. Wood, President, United Farmers of Alberta, presented a Memorial at Ottawa, declaring the situation in that Province to be so serious that "it calls for the greatest possible wisdom in counsel and steadfastness of purpose to maintain that hearty support that a loyal people owe to their Government in such a time as this." A little later (July 8th) the Canadian Council of Agriculture, representing all the Farmers' organizations, met at Winnipeg and made these declarations:

1. That because of the large number of voluntary enlistments from the farms of Canada, the action of the Government in cancelling exemptions has very seriously interfered with production.
2. That the indiscriminate calling of young men bears with exceptional hardship upon the agricultural industry inasmuch as the young people of our farms are qualified to undertake responsible tasks at a much earlier age than others and because the older sons having left the home farms, the responsibility for conducting operations in many cases rests entirely on these young men.
3. That the Government's desire that leave of absence be granted in cases of hardships has very frequently not been observed.
4. That before calling up the 19-year or other classes, the Government should hear the Farmers' point of view.
5. That exempted young farmers getting married before cancellation of such exemptions, should be placed in the married class.
6. That training be carried on locally in order that young men could have leave to help in the harvest.

During these months many exemptions actually were granted throughout Canada for harvest purposes and these Mr. Justice Duff described as in the nature of licenses for the production of food. A decision of the Central Appeal Judge on July 16 described the Minister of Justice and himself as jointly having power to extend the time of exemption of a farmer; on Oct. 3rd advertisements in the press by the Military Service Branch intimated that the exemption of farmers would be renewed on providing proof that they were contributing satisfactorily to the country's food production; the number involved in such an extension was large. There was much criticism of the farmer as a class during these months—almost as much as of the French-Canadians—and the Hon. F. B. Carvell illustrated this feeling in the Commons on Apr. 19: "There are thousands and tens of thousands, yes, hundreds of thousands, of people in the rest of Canada who have tried assiduously to evade

military service. Among the farming classes, every device has been resorted to which the ingenuity of men could think of. Men by the score have been practically adopted by their neighbours on the ground that it was necessary to work their farms, and through that have obtained exemption; and the next day these young men have gone away from that farm as if it were a pest-house, with no intention of ever returning to it. This thing has gone on in English Canada to my knowledge."

On the other hand, there were during this period, a multitude of exceptions to the policy of the Farmers' organizations—in fact the voluntary enlistment figures show that the agricultural class as a whole was not behind any other section of the community. Meetings were held in various rural centres proclaiming the desire of farmers' sons to continue doing their share as in earlier enlistments; Strathcona's Horse in the West during April, obtained many farmers' sons by voluntary action; the United Farmers of Alberta at first approved the cancellation of exemptions and the Wentworth County Council voted down a Resolution against Conscription of farmers' sons. When it was made clear that in England 30,000 agricultural exemptions had been cancelled while the people were on short food rations and that the Government, through Rt. Hon. R. E. Prothero (July 2nd) had stated the need for men to be "so overpowering as to be above even that of food" farmers became as amenable to argument as any other class—when the situation was properly explained. It may be added that the farmers who claimed exemption totalled 161,981, and that those refused were 20,449; that farmers in the 20-22 class whose exemptions were continued totalled 72,825 and those cancelled 41,852.

The Problem of General Exemptions. Appeals for exemption during this period were not, of course, confined to any one class and Sir Robert Borden in a statement issued on May 9, declared that since Apr. 20 many representations had been received as to the alleged injury resulting from cancellation of exemptions: "Such representations have been received from those engaged in agriculture, in mining, in the production of munitions of war, in shipbuilding, in transportation and other similar activities that are important, if not essential, for war purposes." But action had to be taken and the decisions of Mr. Justice Duff on appeal were many and serious, both before and after the Cancellation Order of Apr. 20. On Jan. 30 he declined to grant exemption to a School principal in Calgary; on Mch. 6 to 2,000 Bank clerks whose services were claimed to be essential, and a little before this (Feb. 19) he ruled that students at Quebec Seminary and Laval University were not exempt; a member of the Provincial Police Force of Alberta was refused exemption, as such, as were various workers in Munitions.

On Mch. 15 the Central Appeal Judge refused exemption to Plymouth Brethern on the ground of their religious scruples and, on several appeals, members of the International Bible Students'

Association were refused; the claim of Indians was allowed but late in April officers in the Canadian Militia were declared to be not exempt; naturalized Aliens who had been exempted because of disenfranchisement under War-time Election Act, were relieved of exemption early in May; on May 16 members of the legal profession, as such, were refused exemption and about the same time medical, dental and veterinary students were denied an exemption which had been freely granted by Montreal Courts a month before; in June several Winnipeg grain buyers were exempted "so long as they continued in that profession or as farmers." By Oct. 27th it was announced that Mr. Justice Duff had heard 439,000 appeals.

Meantime, the fundamental question had got into the Courts, as was inevitable. The principle of Habeas Corpus was early invoked by judicial process. On June 27th Mr. Justice A. A. Bruneau of the Supreme Court, Montreal, heard a test case of 15 soldiers who petitioned for release on the ground that the Government had illegally suspended the Habeas Corpus Act. It was contended (1) that this right was one granted the Canadian people by the Imperial Government and that the Canadian Parliament had no right to interrupt, suspend, change or abolish this right; that (2) legal action on Habeas Corpus in Canada was governed by the Legislatures of the different Provinces; that (3) in any event, even if Parliament could suspend this right, it could not be done by Order-in-Council; that (4) the War Measures Act of 1914 did not give the Government the right to suspend Habeas Corpus. Judgment was not rendered until July 5th,—after the Alberta decision—but it then accepted the above contentions and declared that the Order-in-Council cancelling exemptions was *ultra vires*.

The real testing case, however, and first decision given on this point, was at Edmonton, before the Supreme Court of Alberta and on the application of R. B. Bennett, K.C., acting for Norman Earl Lewis, for an order declaring that the latter, as a draftee under the Military Service Act, was illegally held by the local Military authorities—Colonel George Macdonald, D.O.C., Calgary, Lieut.-Col. P. A. Moore, Commanding the 1st Alberta Depôt Battalion, and Maj. J. M. Carson, the local Registrar. On June 28 by a majority decision of the Court—Justices C. A. Stuart, N. D. B. Beck, W. C. Simmons and J. D. Hyndman against Chief Justice Horace Harvey—an order was granted and the Order-in-Council declared invalid. In the decision, delivered by Mr. Justice Beck, he reviewed the legislation dealing with the matter and held that there was no power under the War Measures Act to pass the Order-in-Council referred to, of Apr. 20th, 1918. He declared that it was an astounding proposition that Parliament, after spending many weeks in discussion of the Military Service Act which, perhaps more than any other Bill, had been the subject of antagonism, both within and without Parliament, should leave it open to the Governor-in-Council to revoke this Act in whole, or even in part. Mr. Justice Stuart, in

his judgment, maintained that Parliament had never intended to grant the Government power to over-ride and repeal its own Acts. Mr. Justice Hyndman declared that: "Men holding exemption certificates granted by lawfully-constituted tribunals are, by statute exempt from service. It is, therefore, a right derived from statute and, in my opinion, can only be taken away by statute."

As the decision carried with it the fate of the whole of the 20-22 class, the legality of many War Orders-in-Council, the whole policy of Government action in emergencies when Parliament was not sitting, the right to conscript 40,000 soldiers already taken under this Order, the situation at once became critical. Various views were expressed. That of the determined opponent of all Conscription or compulsion was voiced by the Edmonton *Bulletin* (July 1st) as follows: "Last week they railroaded 1,500 men out of Calgary for Overseas, most of whom had held exemption papers such as that held by young Lewis. Their exemption papers had been taken from them and the exemption cancelled. Of the two or three thousand men still in Calgary the larger number held exemptions. These men may be shipped Overseas in defiance of the law as laid down by the Alberta Supreme Court while the Lewis case is under appeal." Another was expressed by the Ottawa *Journal* on July 4th:

> To the ordinary layman not versed in the law, the decision of the Alberta Supreme Court would seem to ignore two very vital factors: (1) That the Governor-in-Council acted under the authority of the War Measures Act, an Act which specifically vested almost unlimited powers with the Cabinet to deal with just such emergent conditions as those the Order-in-Council in question was designed to meet; and (2) that in the Military Service Act there was a clause which provided that nothing in that Act should interfere with or detract from the powers vested in the Governor-in-Council under the War Measures Act.

Meanwhile, the Minister of Justice had at once taken the case on appeal to the Supreme Court of Canada, asked for an emergency hearing and decision and issued instructions to proceed with the routine enforcement of the Act and the movement of troops. At the same time an Order-in-Council was passed (July 5) which specified the nature of the Alberta decision, described the exigencies of the situation, and added: "Therefore, H. E. the Governor-General-in-Council, on the recommendation of the Acting Prime Minister, is pleased to order and direct and doth hereby order and direct that men whose exemptions were cancelled pursuant to the provisions of the Orders-in-Council of the 20th April, 1918, above referred to, be dealt with in all respects as provided by the said Order-in-Council, notwithstanding the said judgment and notwithstanding any judgment or any Order that may be made by any Court, and that instructions be sent accordingly to the General and other officers commanding Military Districts in Canada."

The Alberta Court met this action with Habeas Corpus proceedings in the case of a soldier named Norton and a demand for his surrender to its jurisdiction with an order for Colonel Moore to

appear and produce the man. This the latter refused to do on advice from Ottawa and a tense period followed in which it appeared that the Provincial Court and the Military authorities might have a direct clash; Major Carson, meantime, pointing out to the Court that discipline was being destroyed, great difficulties met in the refusal of men to report under the Act, with delay in the despatch of men to the Front rendered inevitable. The Court on July 10 issued a writ of attachment against Colonel Moore—and the situation became still more acute with a despatch on the 11th from Mr. Doherty, Minister of Justice, to James Muir, K.C., the Department's representative, urging the Court in view of the gravity of present circumstances that "all further judicial proceedings, locally, should be stayed pending the hearing and determination by the Supreme Court of Canada upon the questions upon which they depend." The Minister pointed out that the demand for men was insistent, declared the terms of the War Measures Act to be "as broad as those which describe the powers of Parliament in the B.N.A. Act" and stated the administration of the regulations in question to be vital to the national safety.

Under orders from the Military authorities at Ottawa, Colonel Moore refused to appear and the Court ordered his arrest; the local Barracks became a scene of great activity with armed guards and machine guns in evidence and press declarations that any effort at arrest would be resisted; Chief Justice Harvey in his order for the release of Norton, declared that "the Sheriff has been met with armed military resistance in his effort to execute the writ"; sarcastic opinions were expressed in Court and heated statements made outside such as the declaration of the Ottawa *Journal-Press* (July 13th) that the Alberta Judges "ought to be in gaol." On the 12th the Minister of Justice telegraphed Mr. Muir to advise the Court that need for men at the Front was vital and any cessation of military movement disastrous: "Government most anxious should be no conflict between authorities, but if it occur by reason of refusal to act on suggestion of suspension, responsibility must rest upon Court."

On the same day a test case—Pte. G. E. Grey of Nipissing who had contested the validity of the Orders-in-Council—reached the Supreme Court at Ottawa and was set for hearing on July 18th; there would be no appeal, it was stated, from the Alberta case but this would be accepted as decisive and would prove more expeditious. Meanwhile, all over Canada, Military proceedings were being held up and injunctions asked for and the Courts appealed to in hundreds of Habeas Corpus proceedings; at Montreal (July 11th) Mr. Justice C. E. Dorion in the Superior Court ordered two officers to be arrested for contempt of Court, if by July 17th, they had not produced a certain soldier in Court for release; in Vancouver one of the writs was made returnable in two weeks, or after the Ottawa decision would become known; similar cases were pressed in many centres including Toronto, where Chief Justice Sir W. Mulock held up 69 cases in one day, until the Ottawa decision was heard.

On the 18th there was a great gathering of Counsel at Ottawa—Grey being represented by C. C. Robinson, Toronto, F. H. Chrysler, K.C., Ottawa, and Aimé Geoffrion, Montreal; the Government by E. L. Newcombe, K.C., and W. N. Tilley, K.C., Toronto. The Judges were Chief Justice Sir Charles Fitzpatrick and Justices L. P. Brodeur, Sir L. H. Davies, L. P. Duff, F. A. Anglin and J. Iddington. The arguments already mentioned were pressed by Messrs. Chrysler and Geoffrion while the Government Counsel contended (1) that Parliament under the War Measures Act gave the Governor-in-Council full power to act in such an emergency; that (2) a clause in the Military Service Act stating that nothing in that law should be held to interfere with or detract from the powers conferred upon the Governor-in-Council under the War Measures Act was conclusive; that (3) the principle of the Order-in-Council had been submitted to and approved by Parliament. The decision, as announced on July 20th, practically upheld the Government contentions and declared the Orders-in-Council valid; Justices Iddington and Brodeur, in a minority judgment of 2 to 4, declared that no Order-in-Council could repeal or nulify an Act of Parliament. The immediate result of the decision was the dismissal of many cases in Toronto by Chief Justice Mulock and elsewhere by other Judges; some of the Quebec Judiciary, however, refused to accept the decision and Mr. Justice D. Monet in the Superior Court at Montreal, on Aug. 6th, ordered the Military authorities to release two men on the ground that "the Parliament of Canada, far from having the right to delegate to the Governor-in-Council power to suspend the right of Habeas Corpus in Canada, does not even possess for itself that power." On Oct. 11th in a similar case at Quebec Judge F. X. Choquett found two officers guilty of illegal arrest and the Order-in-Council under which they acted invalid. So with Judge Bruneau at Montreal.

In the general matter of exemptions there were certain conflicts of jurisdiction between the many Boards and officials which resulted in conditions reflecting upon the Act and its operation in the eyes of the public. Colonel Machin, in his Report as to the Administration of the Act, stated that some difficulties arose in connection with the issuance of Routine orders to commanding officers by Militia Headquarters and of Circular instructions to registrars by the Military Service Branch. In the majority of cases, these orders and instructions were drawn up and despatched without consultation between the Departments concerned; the result would be obviously confusing at times. "Occasionally, the effect of Routine orders was to nulify the most important work of Registrars and tribunals; for example, many registrants claimed exemption as conscientious objectors, or as exceptions to the Act, or on account of the War-time Elections Act, or as aliens, and having had their cases investigated, sometimes by all three tribunals, were denied exemption and ordered to report for duty, only to find on arrival at the Depôt Battalions that there existed Routine orders which pro-

vided that if they could convince the Commanding Officer of their right to have exemption on the above grounds, they would be discharged and returned to the Registrar's jurisdiction."

Another point of difficulty was in the issuance to draftees of harvest leave and compassionate leave, together with the earlier work of the leave-of-absence Boards: "I beg to point out that the procedure took absolutely no cognizance of Registrars and their essential records and vital knowledge of each case. Thousands of men who were unable to present valid claims for exemption to satisfy the fairest tribunals in the land secured more or less indefinite leave by presenting their side of their case to perhaps one single military officer." Colonel Machin also pointed out that large numbers of men who were rated "A" category by competent Boards, ordered to report for duty and put in uniform, were later lowered in category by Junior Medical Boards, and then discharged and returned to Registrars' records: "This was done in a great many cases, even where the man's original category had been determined by the excellent Medical Boards of Review, and it was only at the close of our work that provision was made against this abuse." Eventually these and minor difficulties were eliminated but in some cases, too late to be effective.

Enforcement of the Military Service Act. This was not an easy matter. There were the feelings of certain sections in Quebec, the attitude of the farmers and their very real need for help at certain seasons; there were the shortage of labour and demands of industry; there were the many appeals for exemption illustrated by the fact that up to Jan. 8th, 1918, there had been 380,510 such claims with 53,788 still to be dealt with and many more which had been allowed temporarily; there was the fact that out of the 83,355 men raised under the M. S. Act there were, at the date of the Armistice, 7,100 men on leave of absence for compassionate grounds (extreme hardship) and 15,333 farmers on temporary leave; there were, on Nov. 1st, 1918, 216,227 men of Class 1 in possession of exemption orders; there were during the whole period of the Act's administration, 27,631 defaulters of Class I with only 3,492, in the end, apprehended.* The Military Police and the Western Mounted Police acting under the Justice and Militia Departments, in turn, had most arduous duties and, according to statistics given by the Minister of Militia in Toronto on Dec. 16th, they investigated, altogether, 269,121 cases and apprehended 30,582 defaulters in all classes divided into (1) men who failed to register, (2) men who registered but defaulted an order to report for medical examination, (3) men who registered but defaulted an order to report for military duty, (4) deserters, (5) soldiers defaulting the conditions of their leave of absence, and (6) men of the 19 Class who failed to register. The following table* illustrates the general Provincial situation as to exemptions and default on Nov. 11-15, 1918:

*Note. Official figures supplied by courtesy of Minister of Militia, Apr. 7th, 1919.
*Note. Later official figures of Apr. 1st, 1919, showed 1,346 defaulters, mostly in Quebec, as having enlisted in other units.

Province	Enlistments to Nov. 15	Exemption Applications Refused, Class 1	Class 1 Exemptions to Nov. 11	Total
Ontario	245,677	42,366	65,089	4,159
Quebec	82,793	51,856	58,644	18,827
Nova Scotia	.....	8,210	14,689	1,334
New Brunswick	59,206	7,092	8,225	598
Prince Edward Island	.....	1,572	2,631	39
Manitoba	66,319	9,372	10,102	426
Saskatchewan	87,666	12,450	30,440	1,063
Alberta	45,146	7,306	17,934	440
British Columbia	53,765	6,414	8,473	745
Total	590,572	146,638	216,227	27,631

The difficulties in enforcement of the Act through the Courts have been indicated but the big cases give no idea of the immense number of minor incidents along legal lines, or of the infinite variety of the claims placed before the Exemption tribunals or, finally, before Mr. Justice Duff. There were many cases of perjured evidence and Colonel Machin, in his Report, described a number of forged exemption certificates which, he declared, amounted to a conspiracy in Quebec City and in the Province generally, and which were unearthed by Jules La Rue, the Deputy Registrar in Quebec; the Military Police had the power to accost young men on the street and arrest them as well as to search houses for assumed defaulters. As to this, E. L. Newcombe, Chairman of the Military Service Board, stated on June 16, that there were a number of men who had not reported to the Registrars, and that the effort to record them was very difficult because the men were unregistered and unknown. Capt. Douglas Kerr was appointed to look after this work under the Minister of Justice and investigated, up to the above date, 150,000 cases with about 8,000 men finally turned over to the Military authorities.

Then there were the registered men notified to report for Military duty who failed to do so and who had to be taken in hand by the Military Police and, in this connection, there was the final decision to place both the Civil and Military Police for these purposes under the direction of the Military authorities. Heavy penalties were imposed for default or desertion or refusal to serve; as the months passed on, systematic search was made for evaders of all kinds, and public places, such as theatres, were frequently searched with papers of exemption necessary for eligible men to avert arrest; an Order-in-Council of May 25th made these conditions very stringent and the Police powers very large. On Aug. 2nd a special Proclamation was issued giving deserters another chance by removing absentees under the M. S. Act from liability to punishment if they reported for duty between then and August 24th. Men still classed as deserters and absentees after that date would "be pursued and punished with all the rigour and severity of the law, subject to the judgments of courts-martial which will be convened to try such cases, and other competent tribunals." As to this, Mr. Burrell, Acting Minister of Militia, stated on Aug. 20th that:

I have to say with profound regret that there are thousands of others who have failed their country in their country's need; thousands of men who,

having been notified to report for duty have refused to obey the law and have thereby become criminals in the eyes of the law, dishonouring both themselves and their country. During the past two months nothing has given me greater anxiety than this condition of affairs; a condition, the continuation of which would be intolerable. Many of these men, recreant to all sense of manhood, honour or duty, have deliberately constituted themselves outlaws. I am convinced, however, that thousands of them have been misled by people who have encouraged and persuaded them to disobey the law and who, through their fuller knowledge, are more guilty than those who are now deserters and who may not have realized the gravity of their offence.

It was estimated that 10,000 men took advantage of this temporary amnesty; a letter from Mayor Lavigueur of Quebec asked the Premier for an extension of time but it was not granted; on Oct. 12th the regulations as to employers who retained the services of defaulters were altered so as to increase the former's responsibility. Some drastic punishments were inflicted in this period. At Hamilton on Aug. 10th, 12 conscientious objectors, who refused to do duty in any form, were sentenced to life imprisonment—commuted by the Minister of Justice to 10 years—and one of them was G. E. Grey, known in connection with the Supreme Court case; at the same Camp on Sept. 26th, J. E. Plant was sentenced to death by Court-Martial for refusal to serve, and had his penalty changed to 15 years' imprisonment. There were various other crimes against the Act and the laws.

Defaulters formed themselves into armed bands in the Laurentian Hills from Quebec, or in the Lake St. John district, or in the northern wilds of Ontario; many escaped from places like Brockville or Niagara Falls to the American side before a reciprocity of policy came into force on the border; some bands took refuge in an island on the Ottawa River or in the dense woods along the shore opposite to the Petawawa Military Camp and were armed and provisioned for sustained defence; at Lunenburg, N.S., about 30 young men sailed away with the Fishing fleets in June and thus defied the call to the colours and various formal notices; others fled to the mountain or forest wilds of British Columbia as with Albert Goodwin, the Socialist defaulter who made his cottage into an arsenal and who was shot in the final round-up. It all ended with the coming of the Armistice when the Adjutant-General issued orders stopping arrests or further proceedings against these men with the result that large numbers of men in the various Military Districts, returned to their homes after being branded in the press as "flunkers" of the worst type.

Incidents of the year along this line, included the Government Order-in-Council (Aug. 10th) certifying that the 100,000 men sought under the M.S.A. were reinforcements for the C.E.F. and should be calculated upon the basis of men actually selected and despatched Overseas; the figures made public by General Mewburn on Dec. 17th and which showed that of 595,441 men enlisted or drafted into the Canadian Forces, 95,306 were discharged in Canada for various reasons without going Overseas—except a limited number who were able to join the Air Force; the fact that the admin-

istration work of the Military Service Branch cost the country $3,661,417 and made available a total of 179,933 physically fit men, altogether, who were transferred from civil to military control inclusive of 26,225 such men who had all exemptions refused but who on Nov. 11th, 1918, had not been put in the hands of the Military because the call had temporarily ceased to operate in September owing to the Influenza epidemic. Of this total of 153,708 men actually turned over to the Military authorities, 16,108 were subsequently put in lower categories for various reasons, 24,139 disobeyed orders to report for duty and a net total of 113,461 soldiers were placed on duty.* A certain number of Provincial figures of operations under the Act may, in conclusion, be given as follows:

Province	Que.	Ont.	Sask.	Man.	Alta.	N.S.	B.C.	N.B.	P.E.I.	Totals
Registrations in Class 1.....	115,602	124,965	45,536	22,515	28,076	25,616	18,169	16,902	4,501	401,882
Gross Total made available.	55,814	55,145	14,863	12,591	9,871	11,122	9,717	9,071	1,739	179,933
Net Total made available.	37,920	52,010	14,349	12,281	9,589	9,911	9,304	8,699	1,781	155,794
Total possessing Exemption	61,439	74,649	30,868	10,752	18,083	15,846	8,661	8,461	2,659	230,918
Made Available 20-22 Class by Cancellation of Exemptions.....	26,340	18,188	5,937	2,496	4,224	4,258	606	2,960	601	65,610
Total Registration under M.S A.. .	144,668	162,576	58,435	30,219	40,941	31,705	26,064	22,583	5,713	522,899
Ordered to Report or Voluntarily Reported	46,104	44,796	11,079	9,470	8,310	7,977	7,162	6,661	1,121	142,680
Number who Defaulted Orders..	18,827	4,159	1,063	426	440	1,334	745	598	39	27,631

Miscellaneous events of the year, coming under the head of Military administration, included the flood of letters received by the Militia Department after the Armistice urging that the men be brought back at once and the fact that, by the close of the year and despite transportation difficulties, 5,000 soldiers a week were being brought home; the estimate that under the M. S. Act 70 per cent. of the young men examined were rejected as physically unfit and the grave reflection upon Canadian conditions which this implied; the statement that the Royal Military College, Kingston, had sent 800 graduates to the War with a foundation of two Scholarships at this institution—one of $100,000 by Lieut.-Col. R. W. Leonard of St. Catharines, and the other of $7,000 by the Laurentian Chapter, Ottawa, of the I.O.D.E.; the furlough given the surviving "Originals" of 1914 to visit their homes in April and May and the earnest efforts of the married men to obtain permanent leave which were nullified by the critical developments at the Front; the retirement in May of Brig.-Gen. H. N. Ruttan, C.O.C. at Winnipeg, after long and faithful Military service and a similar retirement in Quebec of Colonel J. A. Fages, after 44 years of

*Note.—There is a discrepancy between this total and that reported by the Militia Department, Page 472, which neither Colonel Machin nor the Minister has explained.

Militia service, and Brig.-Gen. A. O. Fages, his brother, after long service; the training of a Polish Army under Lieut.-Col. A. D. Le Pan, at Niagara Camp in Ontario, with little popular knowledge of the affair while recruiting centres operated in Montreal, Toronto and Winnipeg, and in many United States cities, with 13,000 men despatched overseas during the year.

Other incidents included the statement issued by Lieut.-Gen. Sir Sam Hughes, K.C.B., (Sept. 21) as to his policy when Minister of Militia with an onslaught upon Sir Thomas White, Minister of Finance; the fact that on Nov. 10th that there were on fyle at Ottawa, 200,000 wills made by soldiers of the C.E.F., and the distribution, by the Department, of Military estates valued at $2,608,044 between 1916 and 1918 inclusive; the claim fyled by Sir Charles Ross, Bart., against the Government, in connection with the Ross Rifle matter and the expropriation of his Quebec factory, for compensation totalling $18,897,724; the vigourous protests presented at Ottawa in December against the conditions on the *Northland* troopship of the White Star-Dominion Line which brought back 1,000 men and the Government's appointment of Mr. Justice F. E. Hodgins, Toronto, to inquire into the reports. On July 30 the Canada-United States Convention came into force and under it British citizens of 20-44 years living in the States and United States citizens of 18-45 living in Canada became subject to one of three alternatives—(1) to enlist or enroll in the forces of their own country; (2) to enlist or enroll in the forces of their country of residence; (3) to claim diplomatic exemption; (4) to become automatically subject to the laws of their country of residence. As to Canada, 32,072 United States citizens registered, but were not conscripted; as to the United States 46,000 British recruits were obtained of whom about two-thirds joined the C.E.F. The following were the most important Military appointments in Canada during 1918:

Secretary to War Committee of the Cabinet	Lieut.-Col. C. Vincent Massey
Acting Quartermaster-General	Maj.-Gen. J. Lyons Biggar
Acting Judge Advocate-General	Lieut.-Col. O. M. Biggar, K.C.
Member of Militia Council	Lieut.-Col. O. M. Biggar, K.C.
Acting Director of Equipment and Ordnance	Lieut.-Col. W. Hallick
Paymaster-General and Member of Militia Council	Brig.-Gen. J. G. Langton
D.O.C. Military District No. 6	Maj.-Gen. F. L. Lessard, C.B.
D.O.C. Military District No. 10	Brig.-Gen. H. D. B. Ketchen, C.M.G.
D.O.C. Military District No. 2	Maj.-Gen. W. A. Logie, C.B.
D.O.C. Military District No. 2	Brig.-Gen. John A. Gunn, C.M.G., D.S.O.
Major-General	Surg.-Gen. Sir Eugene Fiset, C.M.G.
Major-General	Surg.-Gen. G. Carleton Jones, C.M.G.
Major-General	Surg.-Gen. J. T. Fotheringham, C.M.G.
Major-General	Colonel G. La F. Foster, C.B.
Director of Chaplain Services	Col. The Rev. William Beattie, C.M.G.
G.O.C. Military District No. 3	Brig.-Gen. Victor A. S. Williams
Acting Adjutant-General	Brig.-Gen. E. C. Ashton, D.S.O.

War Policy of the Finance Minister; The Victory Loan of 1918.

The financing of a country during the World War was no easy task; to say that Sir Thomas White stood out clearly as one of the ablest financial administrators of Allied nations and British Dominions is but to do him the barest justice. His record during 1914-18 proved this statement; the situation of Canada in the last year of war showed a measure of prosperity and financial solvency which warranted satisfaction in the country and gratification on the part of the Government whose trade, industrial, and financial policy had been at stake. Other countries benefitted by the War in a financial sense more than Canada because they had a greater population; Japan, for instance, doubled her trade and her gold holdings, reduced her foreign Debt and stood as a creditor to several nations; the United States came out with 1,000 millions additional in gold holdings, with an increased trade, and large amounts owing by such countries as Great Britain. Canada was changed from a debtor to a creditor nation it is true, borrowed most of its monies from its own people, doubled its trade and greatly developed its industries. But the problem of financing affairs without Great Britain and her loans of $200,000,000 a year, which Sir Thomas White met during the first four years was replaced in 1918 with the problem of United States exchange, caused by the large imports of American products as compared with exports to that country; the future was burdened with a heavy War Debt on a small population.

Meanwhile, however, the country's credit had grown, its financial ideas and policy had become enlarged under the Finance Minister's supervision, with the co-operation of broad-minded bankers, and its resources developed—notably in agriculture and industry—to a degree which would have seemed inconceivable before the War. But these products were largely sold on credit to Great Britain and her Allies, or paid for by money borrowed from the people of Canada and loaned to Britain for that express purpose while, meantime, the National Debt (net) had risen to $976,428,504 on Dec. 31st, 1917, and to $1,330,228,898 on Dec. 31st, 1918. These were some of the problems facing the Finance Minister at the first of the latter year when he issued a message urging the people of Canada to cut down waste, eliminate luxuries and save money: "As for Governments, whether Dominion, provincial or municipal, no expenditures should be made upon public works or undertakings which can be deferred until after the War." If this were done he had no doubt of the result: "The nation will be abundantly able to finance the War, establish needed credits for the Mother Country, and even buy back a large proportion of Canadian issues which will mature abroad and may have to be taken up from Canadian funds."

One of the earlier questions of the year which Sir Thomas White had to deal with was the protest of Quebec and Saskatchewan against an Order-in-Council (Dec. 22nd, 1917) which prohibited the issue of securities by Provinces, municipalities and companies

without the consent of the Minister of Finance. In reply to this protest and various criticisms the Minister pointed out on Jan. 3rd that if the Dominion Government had no power to act as to the Provinces in this connection, then it would be limited in the same way as to municipalities and this would seriously curtail its powers. As to the rest, control and regulation were essential at this period so that the Canadian money market should be conserved for the issue of absolutely necessary securities, and that liquid capital should not become fixed capital by reason of investment in unproductive enterprises or in unnecessary public works.

Friction, however, with the Provinces was avoided by amending the regulations (Jan. 9th) so that the Minister could authorize or approve such issues after they had been put on the market. On Jan. 10th it was announced at Ottawa that, in order to further relieve the situation, the Minister of Finance would arrange to make advances to Provincial Governments to assist in meeting their maturing obligations abroad and thus help in restricting Provincial issues upon the Canadian market. It was at this stage that the Minister's health began to give him trouble—the strain of the past years had proven more than he could stand longer without immediate rest. For 3½ years he had been adjusting the financial relations of Canada toward Great Britain, the Allies and the United States, bearing many responsibilities in National loans, in war taxation and expenditure and in looking after British purchases of Munitions and war supplies in Canada. He, therefore, left for California on Jan. 25th—offering at the same time to resign his seat in the Cabinet. This the Prime Minister would not consider and the Hon. A. K. Maclean, K.C., Minister without Portfolio, was appointed Acting Minister of Finance. In the Commons on Mch. 21st, Sir Robert Borden referred to the matter and to rumours which were current, as follows:

> It is my duty, but with great regret, to inform the House that the health of Sir Thomas White has been seriously impaired by the responsibilities and severe and unremitting labours which have been imposed upon him in the performance of his duties since the outbreak of the War. No burdens of anything like the same magnitude have ever been imposed upon a Minister of Finance in Canada for a like period. Sir Thomas White's keen sense of duty impelled him to throw into the task his utmost strength and energy. His wide business activity and his great ability enabled him to render to Canada a service for which the whole country should be grateful.

Three days later Sir Thomas telegraphed from Los Angeles to the Premier that if he was sure the public interests would not suffer he, the Minister, would return and resume his work at a later date. The Premier in reply urged him most earnestly to continue his rest for the period of the Session and to then re-assume his duties. Meanwhile, Mr. Maclean had filled the post with success and faced many complications in doing so. On Feb. 18 he was in consultation with the Canadian Bankers' Association as to the commitments of Western Provinces and Municipalities in the matter of bonds, etc.; on Mch. 20 he intimated that the Bank of Montreal

and the Bank of British North America had received his approval to their proposed merger; on Apr. 30 he delivered the Annual Budget Speech. The revenue of the fiscal year ending Mch. 31 was estimated at $258,000,000 and the ordinary expenditures at $173,000,000—including $45,000,000 of Interest, compared with a pre-war total of $12,000,000 and $7,000,000 in Pensions. For capital outlays $30,000,000 was estimated leaving a surplus for the year of $55,000,000. The War expenditures for 1917-18 were estimated at $345,000,000 of which $167,000,000 was to be expended in Canada. The War total to date was, approximately, $878,000,000 and the Net Debt was about $1,200,000,000. Though not stated in this address the exact figures of revenue and expenditures for the fiscal war years of 1914-18 may be given here:

Date	Revenue	Expenditure Consolidated Fund	War Expenditures
1914-15	$133,073,481	$135,523,206	$ 60,750,476.01
1915-16	172,147,838	130,350,726	166,197,755.47
1916-17	232,701,294	148,599,343	306,488,814.63
1917-18	260,778,952	178,284,313	343,836,801.98

It may be added, also, that up to Novr. 30th, 1918, the total War outlay was $1,068,606,527 including expenditures in Canada, Great Britain and France, and inclusive of upkeep of troops overseas; that the Interest and Pension payments attributable to the War to date totalled $76,000,000 which was paid out of revenue; that the net Debt, which before the War was $336,000,000, totalled on the same date $1,307,429,661. Mr. Maclean in his speech referred briefly to the exchange problem as being due to the inability of Great Britain to settle in the usual way her trade balances—due to tremendous calls of war and the needs of her Allies. The trade statistics of the fiscal years of war illustrated a similar situation in the case of Canada. Firstly, as to the United States, Canada during the four years from Mch. 31, 1915, to Mch. 31, 1918, imported from the United States $2,296,848,388 worth of products and exported to that country $1,463,896,016—a difference against the Dominion of $800,000,000 which had to be met in some way. Secondly, as to Britain, the Exports from Canada had totalled in the same period, $2,291,984,580 while the Canadian Imports were only $373,357,073—a balance favourable to Canada of over $1,900,000,000. Under normal conditions part of the British balance would have been used to settle Canadian indebtedness to the United States; but war demands were so heavy upon Great Britain that it was impossible for her to pay her Canadian indebtedness except by credit, or through the Loans which the Canadian Government raised in Canada for the British purchase of munitions and supplies.

Hence the United States exchange difficulties which both Sir Thomas White and Mr. Maclean, from time to time, had to meet and the settlement of which had been facilitated in 1917 by money borrowed in the United States to a total of $185,000,000 and hampered in 1918 by the American prohibition against purchase of outside

securities. Hence the natural Canadian restrictions upon buying American securities—a condition which required no special legislation; hence a natural stimulus given to the sale of foreign securities held in Canada and the incentive to seek in Canada substitutes for goods formerly purchased abroad, because of the high exchange rate; hence also Canadian executive embargoes upon the importation of luxuries or products which could temporarily be done without. In his Budget speech Mr. Maclean described the condition on Mch. 31, 1918, in round figures, as follows:

I. Obligations to be met during year.	
For Civil Budget	$230,000,000
For War Expenditure	425,000,000
For advances to the Imperial Government re Munitions, etc.	325,000,000
In all	$980,000,000
II. Available for above Purposes.	
Revenue	$270,000,000
Advances by Great Britain for Canadian troops Overseas, about	300,000,000
Balance of 1917 Victory Loan as on Mch. 31, 1918	130,000,000
Total	$700,000,000

The amount therefore to be obtained by borrowing, and upon which the Victory Loan of November was to be based, totalled $280,000,000 and might be a good deal more. To help in this connection taxes had to be increased yet as Mr. Maclean pointed out no taxes should be imposed which would paralyze industry of any kind, hamper enterprise, or breed discontent amongst the people; at the same time none should be avoided which were essential to provide the revenue required and which would distribute the incidence of the burden equitably. He pointed out that Prohibition entailed a yearly loss of over $15,000,000; that the Government had, by an Order-in-Council which was effective on Jan. 1st, 1918, taxed the C.P.R. one-half of the net earnings of that Company from its railway operation—after payment of fixed charges and dividends—as well as the Company's special income received from sources outside of railway earnings, with an estimated return of $7,000,000; that the Business Profits War Tax of 1916 under which $12,506,516 had been received in the first year and $21,271,283 in the second, with an estimated $25,000,000 for 1918 would be continued and its rates increased; that the Income Tax would be amended so as to reduce exemptions and re-classify the super-tax with a view to increasing rates; that, also, a new War surtax on incomes from $6,000 to $10,000 of 5 per cent., up to $100,000 of 10 per cent., up to $200,000 of 15 per cent. and in excess of the latter figure 35 per cent. would be imposed; that the Corporation Income Tax was to be increased from 4 to 6 per cent. The Minister gave the following table to indicate the increased taxes on Income (married persons) and to it may be added the current United States figures:

LIEUT.-COL. WM. GEORGE BARKER, V.C., D.S.O., M.C.
and 2 Bars, D.F.C.,
The distinguished Manitoba Aviator.

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Income	Present Tax (Canada)	Proposed Tax (Canada)	United States Tax
3,000	Nil	20	20
6,000	120	140	130
10,000	360	392	355
20,000	1,260	1,382	1,180
30,000	2,460	2,702	2,380
50,000	5,260	5,782	5,180
75,000	10,000	11,007	9,930
100,000	14,760	17,607	16,180
200,000	43,760	50,957	49,180
400,000	101,760	142,757	142,680
500,000	130,760	195,407	192,680

As to Excise duties the following increases were announced: On manufactured tobacco from 10 cents to 20 cents per pound; on cigars from $3 to $6 per 1,000; on cigarettes from $3 to $6 per 1,000; on foreign raw leaf tobacco from 28 cents to 40 cents per pound; on foreign raw leaf tobacco, stemmed, from 42 cents to 60 cents per pound. An excise duty of 5 cents per pound was imposed on raw leaf tobacco grown in Canada; a Custom's duty of 10 cents per pound upon tea with corresponding increases upon coffee and chicory; an increase of duties from about 25 to 40 per cent. *ad valorem* upon beverages which required malt, rice or corn in their manufacture and containing not more than 2½ per cent. of proof spirit. Other duties involved changes and an increase in the taxes on sleeping-car berths; an excise tax of one cent per 100 matches, of 8 cents on each pack of playing cards with a Customs duty of 5 cents per lineal foot upon moving-picture films; a special war excise tax of 10 per cent. was imposed upon the selling value of automobiles, jewellery, gramaphones, graphaphones, phonographs, talking machines, mechanical piano and organ players and records, when imported into, or manufactured in Canada. From these taxation changes and increases and other items of direct taxation it was expected to obtain a large sum—the amount realized was as follows:

Tax on Trust and Loan Companies	$ 267,500
Tax on Insurance Companies	385,000
Tax on Banks	1,115,500
Tax on Railways, Steamships, Telegraph and Cable Companies, etc.	2,230,000
Extra Postage on Letters, etc.	5,800,000
Business Profits War Tax	21,275,000
Increased Customs Duties	45,000,000
Total	$76,073,000

A. R. McMaster of Brome, Quebec, replied for the Liberal Opposition. He dealt with the largeness of expenditures and the Debt obligations, the burdens of interest, present and prospective; he criticized such incidents as the purchase of the Quebec and St. John Railway, and urged at great length the freeing of agricultural implements from Customs duties; reviewed the Liberal tariff reductions in 1896-1911, and advocated Reciprocity with the United States: "We need a lower tariff in Canada, not only to remove the

economic burdens which now rest on the national producers, but also that we can obtain more revenue for the state, because there are certain lines which are so highly protected to-day that importations in those lines are practically negligible and we get little or no revenue from them." Figures presented to Parliament at this juncture (Apr. 11th) by Sir Robert Borden estimated the War expenditure of the year ending Mch. 31, 1919, at $443,050,000 of which $217,887,500 would be spent in Canada and the balance Overseas. Meantime, Sir Thomas White had been recovering his health and gradually taking up such duties as were nearest—notably meeting the Prime Minister at New York and Washington late in April to discuss with Lord Reading and financial interests in those centres the question of exchange and of a fresh Canadian loan.

On May 16th the Minister was back in Toronto and stated that the Washington negotiations had been satisfactory and that Canada had obtained the right to issue certain securities in New York; that Great Britain was providing $400,000,000 a year of outside funds —borrowed, it afterwards developed, in the United States—for the purchase of Canadian munitions; that Canadians were spending too much on luxuries and goods that were not necessities—ornaments, musical instruments and means of amusement. Sir Thomas was welcomed by the Commons on May 20th and a few days later took over his Department. On the 31st he announced the creation of a new issue of Dominion of Canada debenture stock bearing interest at 5½ per cent. per annum and selling at par, with the privilege of conversion into any future war Loans. On June 4th it was stated that the Government had placed an embargo upon the export of gold coin, fine gold bars and gold bullion—subject to license from the Finance Department. Ten days after this Sir Thomas was again in Washington conferring with the British Ambassador and others as to Canada's unfavourable trade balance and the exchange situation; he also met the Capital Issues Board with a view to the admission of Canadian general securities to the United States market. As a result of these proceedings a Dominion Loan of $65,000,000 was placed in the United States which made a total borrowed there, during the War, of $285,000,000. On June 6th preceding he had been in Conference with representatives of the Canadian Bankers' Association.

To the press, on Aug. 6th, the Finance Minister issued a statement as to the general situation from which certain facts stood out: (1) That the Government had taken such careful steps to stabilize and control its total War issues of $700,000,000 that there had been no difficulty in sales or in maintenance of the market price in $50,000,000 worth which had changed hands since January; (2) that the Government policy of controlling Provincial bond issues, loaning money direct to the Provinces and obtaining the co-operation of Banks in carrying the securities of the larger cities and towns, for a time, had worked most beneficially in allowing the gradual absorption of National securities without confusion or exces-

sive interest rates; (3) that to relieve the exchange situation, which had run as high as 2 per cent., at times, against the Dominion—not more than Great Britain and various neutral countries had to face, however—orders had been obtained from the United States for certain Munition and other supplies, permission for the floating of limited securities in New York arranged, and prohibitions enacted as to non-essential imports into Canada. As to the general situation he was explicit:

> Canada is earning at home the money which she spends on the War. How different would be our condition, if instead of earning the money at home and taking the national profit on the business which yields the money, Canada had, in order to meet her military expenditure, to borrow abroad. Canada, owing to agricultural and other natural resources and the possession of highly efficient manufacturing plants, served by highly skilled labour and directed by men of great enterprise and ability, has been able as a nation, not only to earn the entire cost of the War to date, but to make a very large national increase in wealth as well. If, from the increase in Bank deposits, new securities, goods, commodities and other property now owned by the people of Canada over and above what they possessed in 1914, there be deducted the whole national Debt of Canada due to the War, the surplus would be found to be very great indeed.

Then came the announcement of a new Victory Loan and the discussion regarding its immunity from taxation. As to this Sir Thomas White in a statement on Aug. 14 clearly described the situation: "We have now listed in New York tax-free securities aggregating $140,000,000, from which Canadians have bought and can still buy. We have issued $750,000,000 of tax-free securities in Canada. In fixing the price of issue we had to take into consideration market conditions prevailing both in Canada and New York. This was especially so during the first three years of the War, when we had to depend for the success of our Loan principally upon the investing public. The Anglo-French loan and the several issues of the Imperial Government in New York, all giving a high interest yield, were, during this period, real competitors with our War issues, and large sums went from Canada for their purchase." Freedom from taxation had met this competition and permitted a lower interest rate—thereby reducing the annual obligations of the Dominion; the total saved on the $750,000,000 already issued, had the rate been increased ½ of one per cent., was $3,750,000 while the probable return through taxation could be only about $1,000,000. So far as the contention that some wealthy people would deliberately reduce their taxation by buying such bonds was concerned, he pointed out that they could now go into the open market and purchase preceding issues. "As for the new Victory Loan," added the Minister, "I feel that no risk should be run by making its terms less favourable than those of our last issue. The difference between a moderate success and the notable success such as I feel Canada will accomplish would be a most serious difference to our agricultural, trade and industrial prosperity upon which depends the financial support of our war effort."

In reply to the Minister, I. W. Killam, President of the Royal

Securities Corporation, Montreal, issued an open letter on Sept. 12th dealing with this question in most elaborate form. He criticized the whole financial policy of the Government during the War, and based his view largely upon such facts as that of Britain receiving from income tax and super-tax a total of £240,000,000 out of a total income of £707,000,000; he obviously overlooked the difference between the richest country in the world and one which had, until the War, been a continuous borrower in the British money market with a by no means rich population. His chief argument was that the rich man could exempt his wealth from taxation by investing in these bonds. The reply was obvious and was contained in the War Loans' total of subscribers, the distribution of subscriptions in past Loans, and in the one which was still to come:

Canadian War Loans	Nov. 22, 1915	Sept. 12, 1916	Mar. 12, 1917	Nov. 12, 1917	Nov. 16, 1918
Amount of Loan..	$50,000,000	$100,000,000	$150,000,000	$150,000,000	$300,000,000
Amount Subscribed	113,729,500	*195,371,000	*236,654,000	419,289,000	686,547,000
Amount Allotted .	97,000,000	†103,073,800	†166,114,000	398,000,000	.....
Number of Subscribers	24,862	34,526	41,000	820,035	1,064,497
Average Subscription	4,574	5,658	5,772	511	645
Subscriptions per head	14	24	29	52	86

As a matter of fact capitalists like Lord Shaughnessy and J. K. L. Ross of Montreal were in favour of non-exemption and a stronger argument on this point than Mr. Killam's fear of the wealthy profiting by the exemption was the contention of the *Grain Growers' Guide* (Sept. 11th) that: "The new Victory Loan will make a total of $1,250,000,000 of tax-exempt national bonds of Canada yielding an annual total, in round figures, of $67,000,000 to their holders. Every dollar of that annual total of $67,000,000 of income will be exempt from taxation; and to make up for that exemption, there will have to be increases in taxation elsewhere levied." Meanwhile, the decision had been made and it was adhered to. The country needed another $500,000,000, it asked for $300,000,000 and eventually received $686,000,000! The result was a remarkable one, the whole campaign was skilfully conducted, the work of Sir Thomas White was unstinted and that of E. R. Wood of Toronto, who was appointed Chairman of the Dominion Executive, was generous and continuous over a period of months. The first three internal War Loans of Canada had been issued at 5 per cent. with terms running as follows: 1915-25, 1916-31 and 1917-37. Those of 1917 and 1918 were issued at 5½ per cent. and the first ran from 1917 to 1937; the other was in two forms—1918-23 and 1918-33. Early in the campaign for subscriptions the Minister of Finance issued a statement pointing out that in four years of war the export of Canadian manufactures had increased from $57,000,000 to $636,000,000 and the Bank deposits grown by $500,000,000 while the people had invested over $700,000,000 in War loan issues. He enlarged on the vital need of helping Great Britain in her purchases from Canada by continued loans of money:

Note. *Including Conversions. †Not including conversions.

The great bulk of our chief exports are bought by Great Britain for the use of her civilian population at home and her armies in the field;

She buys the salmon catch of the Pacific and the exportable surplus of the wheat of our Western prairies and of the flour manufactured from it;

She buys the cheese of the Eastern dairy farmer and the exportable surplus of our beef and pork production;

She buys the output of hundreds of Munition plants in Canada which, in turn, take the product of our great steel plants.

This means the employment of tens of thousands of operatives; our great shipbuilding yards are filled with orders for tonnage.

In buying Victory bonds, therefore, the people were lending money to Great Britain so that she might purchase the products of their labour or enterprise. As a matter of fact Canada had, up to this, loaned the British Government $732,816,397 while the British purchases from Canada during the year ending Mch. 31, 1918, totalled $520,415,832 worth of foodstuffs—of which $481,000,000 were for wheat, flour, bacon, cheese and oats—with $325,064,237 worth of War materials. E. R. Wood also issued a statement describing the importance of this Loan to Canada and the desirability of an over-subscription. The previous Loan had done Canada and the War great service: "The remarkable over-subscription of the 1917 Victory Loan completely changed the uncertain outlook which prevailed when the Loan was offered to the public. It gave a new impetus to agriculture, commerce and prosperity. It invigourated our efforts in the War. It allowed our Provincial Governments, municipal and other borrowers to finance their requirements at home. In short, it gave another lease of life to the activities of the Dominion. For the farmer, the Loan was able to finance the only purchaser who could buy his excess products, namely, Great Britain. For the manufacturer it continued to give the best export market he had ever possessed." The Publicity campaign which followed was an able one and included the circulation of about 35,000,000 pieces of literature with J. H. Woods of the Calgary *Herald*, President of the Canadian Press Association, in full charge; the total amount expended by the Government in this connection was $208,166 and the estimated entire cost of floating the Loan was $5,000,000; that of 1917 had cost $3,620,395. Under Mr. Wood in this campaign were the following Provincial Chairmen:

British Columbia	W. H. Malkin	Vancouver
Alberta	Hon. C. R. Mitchell	Edmonton
Saskatchewan	Hon. C. A. Dunning	Regina
Manitoba	Sir Augustus Nanton	Winnipeg
Ontario	G. H. Wood	Toronto
Quebec	E. A. Macnutt	Montreal
	J. W. McConnell	Montreal
	A. P. Frigon	Montreal
New Brunswick	T. H. Estabrooks	St. John
Nova Scotia	G. S. Campbell	Halifax
Prince Edward Island	C. H. B. Longworth	Charlottetown

The great drive for the 1918 Loan was opened by Sir Thomas White at a Winnipeg meeting on Oct. 9th. During his speech the

Minister declared that it was a singular and remarkable fact, in connection with the War, that the economic position of Canada was stronger after five years of military struggle than it had been at the beginning—the business of the Government was to keep that position strong. As to the general situation he put it in a few words: "We extend credits to Britain here to purchase our products. Britain extends credits to us in England to pay our war expenditure abroad. The balance of account is to-day in our favour to an amount considerably exceeding $100,000,000. For exchange and other reasons it was necessary to borrow in England during the first year of the War. Then exchange went against England and in favour of America, and we borrowed in the United States and Canada. Our rates of interest and terms of loans have been largely dependent upon New York rates and terms and the financing of the Allied Governments there, particularly Great Britain." Sir Thomas spoke at Brandon, at Saskatoon on the 11th, at Vancouver on the 15th, at Toronto on the 24th. To the people of the country as a whole the Minister issued a vigourous appeal to support the Loan; "The money to be raised is urgently required to enable us to continue the prosecution of the War, now in its fifth and most crucial year, and for the maintenance of the prosperity of the Dominion in all departments of productive activity. Even if the War should end at an earlier date than has been anticipated, all the money asked for will be required for the purposes of demobilization, which will extend over many months, and for the continuation of credits for the purchase of Canadian products." On Nov. 16 a sweeping success was realized and the figures, as finally and officially announced, were as follows:

Province	1918 Objectives	1918 Subscriptions	1918 Applications
British Columbia	$19,000,000	$36,633,927	80,315
Alberta	15,000,000	18,999,250	56,813
Saskatchewan	20,000,000	26,071,450	77,323
Manitoba	33,000,000	44,030,700	86,792
Ontario	205,000,000	336,055,350	542,648
Montreal	80,000,000	146,302,250	114,535
Quebec (outside Montreal)	16,000,000	34,061,200	47,278
New Brunswick	11,000,000	17,002,550	31,957
Nova Scotia	20,000,000	33,221,550	61,040
P. E. Island	2,500,000	3,011,050	5,406
Total	$421,500,000	$695,389,277	1,104,107

This was a triumph of finance; in 1918 the Government had borrowed 94 per cent. of its Loan requirements in Canada compared with 12 per cent. in the first year of the War. To the total, Toronto contributed $144,000,000 and Montreal was a close second with $143,000,000; some of the largest single subscriptions were the Canada Life, Toronto, $10,000,000, the Metropolitan Life, New York, $5,500,000, the Prudential Life, New York, $3,500,000; the Toronto General Trusts, the Great West Life, Mutual Life of Waterloo, Imperial Oil Co., Ogilvie Flour Mills, Steel Company of Can-

ada, $3,000,000 each; the C.P.R., $17,000,000, the McLaughlin-Chevrolet Co., $2,225,000, the Sun Life, Montreal, $10,000,000, the Huron and Erie, London, $2,633,000, Dominion Steel Corporation, $5,000,000; employees of big concerns took stock liberally as, for instance, those of T. Eaton Co., Winnipeg, $536,000, the C.N.R., $500,000, the Robert Simpson Co., Toronto, $439,000, the G.T.R., $2,089,300, the C.P.R., $539,550 and 11 other concerns a total of $1,600,000. At the moment when this success came, Sir Thomas White was Acting Prime Minister and, on Nov. 11, had sent a despatch to General Sir Arthur Currie, congratulating him and his troops upon their great record in the War which was practically ended by the Armistice of that date: "The courage, endurance, heroism and fortitude of the Canadian forces at the front have spread their fame throughout the world and will for all time be the priceless heritage and tradition of the Canadian people. Canada can never repay the debt which we owe for their sacrifices and suffering in her defence. Your leadership has been characterized by great courage, sound judgment, fine initiative and able strategy, inspiring confidence both in the field and at home, and I desire to express to you, personally, the admiration of your fellow-citizens of Canada for the brilliant results which have been achieved."

Sir Thomas was in Montreal at this date, taking part in a Victory Loan parade and he issued a statement pointing out that the money would be needed as much as ever: "The nations will be on a war basis for a long time to come, and it will take Canada the greater part of next year to demobilize. In addition, we must be prepared to continue to furnish credits for the purchase of our agricultural and other products required to meet the food demands of Great Britain and her Allies, and for reconstruction work in France and in Belgium." To the British Premier he also sent a cable of congratulation. On the 18th congratulations came to him in turn from the press of Canada upon the War Loan results and the Toronto *World*, in particular, compared him to the greatest of American financiers—Alex. Hamilton—in the words of Webster: "He smote the rock of the national resources and abundant streams of revenue gushed forth. He touched the dead corpse of public credit and it sprang upon its feet."

On Nov. 20th the Finance Minister received a Live-stock and Meat packers' delegation at Ottawa and approved its statement of the need for increased production in Canada. On the 29th he announced the appointment of a National War Savings' Committee at Ottawa to carry out a plan under which the public could lend small sums to the Government at a rate of interest exceeding 4½ per cent. It was composed as follows: Sir Herbert Ames, Chairman; Campbell Sweeny, Vancouver; H. W. Wood, Calgary; Hon. Geo. A. Bell, Regina; John Galt, Winnipeg; Geo. M. Reid, London; Sir George Burn, Ottawa; René T. Leclerc, Montreal; W. M. Birks, Montreal; Hon. Cyrille Délage, Quebec; Sir Douglas Hazen, St. John, N.B.; W. A. Black, Halifax; Hon. Murdock McKinnon,

Charlottetown; Thomas Moore and Dr. J. H. Putman, Ottawa. A little later he announced the Government policy as to a Housing Fund of $25,000,000 which was duly incorporated in an Order-in-Council. It authorized the Minister of Finance to advance sums up to that total to the Provincial Governments of Canada, *pro rata*, for a period not to exceed 20 years and at the rate of 5 per cent. per annum—subject to a general scheme of Housing construction being agreed upon between the Dominion and Provincial Governments. On Dec. 17th the Acting Premier issued a review of the work of Canada in the War and a general statement of the Government's policy and action. He received, on the 9th, a Delegation urging creation of a Federal Department of Highways and the adoption of a policy of united Dominion-Provincial construction of roads. At the close of Canada's general borrowings for the War period, the totals were as follows:

	1914	1915	1916	1917	1918
Government	$85,415,330	$214,814,133	$208,621,933	$675,182,500	$704,632,729
Municipal	84,388,431	66,508,073	49,893,763	26,104,067	45,805,720
Railway	59,405,666	37,315,665	15,920,000	22,566,666	5,000,000
Public Service ...	25,131,725	14,605,000	22,950,000	15,425,000	2,375,000
Miscellaneous	18,593,915	8,050,000	19,531,666	17,067,800	6,155,000
Total	$272,935,067	$341,892,871	$316,917,362	$756,346,033	$763,968,449

It may be added that, as the Dominion passed out of the shadow of war and into the period of reconstruction, its record of business Failures (Bradstreet's) was a remarkable one. In 1914 the total number was 2,890 with liabilities of $30,741,292; in 1915, 2,626 and $32,380,501 respectively; in 1916, 1,772 and $15,952,684; in 1917, 1,115 and $13,567,115; in 1918, 815 and $12,045,960. An interesting point in these years was the large export of Silver from Canada to the United States—a total of $20,865,442 in 1916-18 according to American returns; largely to help in meeting the heavy demands of Great Britain for her requirements in India.

Administration of the Labour Department; Senator Robertson and Mr. Crothers.

One of the most strenuous Departments of this period, a most difficult post for any Minister to hold, was that of Labour. To know when to conciliate, when to use moral suasion, when to use war-time powers of compulsion; to be able to handle conflicting opinions and interests and to hold even a moderate degree of respect and esteem from both sides was a very difficult task. And the Labour issue was not limited in scope. It gave the Postmaster-General trouble as to his staff, it concerned the Minister of Agriculture through the demand of farmers for more help; it affected the whole Government through such questions of policy as the admission of Oriental labour; it concerned the Minister of Trade through industrial developments, of Railways, through transportation strikes, of Militia through its influence on recruiting, of Public Works through construction costs, of Immigration or Re-construction in all kinds of indirect ways. The Premier, or Acting Prime Minister, had as much to do with the

settlement of strikes as the Minister of Labour; the issue itself shifted from a shortage of labour to a super-abundance of men—though in the latter case they did not always want to work.

On Jan. 16th a Conference was opened at Ottawa to discuss the general Labour situation. The War Committee of the Cabinet was represented by Sir R. Borden and Messrs. Rowell, Calder, Reid, Robertson and Hon. T. W. Crothers, Minister of Labour; from the Provinces came Hon. Duncan Marshall, Alberta, Hon. W. R. Motherwell, Saskatchewan, Hon. T. H. Johnson, Manitoba, Hon. A. E. Arsenault, P. E. Island, Hon. J. D. McLean, British Columbia, Hon. J. F. Tweeddale, New Brunswick, C. F. Baillie representing the Ontario Government, and others; Labour was represented by J. H. Kennedy, W. F. Bush, E. W. O'Dell, J. A. McLellan, A. E. O'Leary, Thomas Moore, Walter R. Rollo, J. W. Bruce and other leaders or organizers. It was claimed that 25,000 men were required for seeding purposes in the West and 32,000 for harvesting; some of the Western delegates emphasized the need of production as more vital even than men for the Front; the Labour men emphasized objection to anything like industrial conscription.

The Prime Minister opened the Conference and submitted a confidential statement as to conditions at the Front and the need of men for war and production and railways; it was the Government's desire to have the advice and help of Labour and then to formulate a policy of action. Mr. Rowell presided and other Ministers spoke and then a series of subsidiary consultations were held—farmers, workers, political leaders. These discussions continued until the 18th and were adjourned to meet again on the 29th and consider concrete proposals from the Government; meanwhile, a delegation was sent to Washington to look into the Labour situation there. At the new meeting Labour had many additional representatives, including Alex Ross, Calgary, A. W. Puttee, Winnipeg, V. B. Midgley, Vancouver, Austin Mosher, Halifax, J. T. Foster, Montreal, J. L. Sugrue, St. John and J. C. Watters, Ottawa. This Conference lasted two days and the Labour delegates made various suggestions; it was understood that a compulsory registration of man and woman power was agreed to and the establishment of Government Labour bureaux; there was to be no compulsion of labour for any purpose except the Army.

On the 14th an official statement of Labour policy was issued: "The Government will not conscript men for farm labour under the Military Service Act, but will take immediate steps to secure a registration and inventory of the man-power of the Dominion; a classification of the industries of Canada will also be secured by the new War Trade Board; there will be no importation of coolie labour at present, but this matter may be given further consideration at a later date. No decision has been reached in regard to the conscription of Alien labour; Labour will be given representation on Registration and Inventory Committees." On the 25th it was announced that a Sub-Committee of the Cabinet had been appointed

under the Chairmanship of Hon. G. D. Robertson, Minister without Portfolio, and a well-known Labour leader, to deal with the subject of Registration and classification of Industries and to include as members the following:*

Hon. G. D. Robertson	Chairman	Minister
Hon. J. A. Calder	Ottawa	Minister
Wills Maclachlan	Toronto	Engineer
Prof. R. M. McIvor	Toronto	University
H. J. Daly	Ottawa	Merchant
Thomas Moore	Niagara Falls	Labour Leader
Calvin Lawrence	Ottawa	Labour Leader
G. Frank Beer	Toronto	Manufacturer
J. A. Stevenson	Winnipeg	Journalist
John Lowe	Valleyfield	Manufacturer
W. D. Tate	Halifax	G.W.V.A.
David Carnegie	Ottawa	Munitions Expert
Mrs. Rose Henderson	Montreal	Probation Officer

The duties of this Canada Registration Board were defined as follows: (1) To make provision for a registration of all male and female persons over 16 years of age residing in Canada; (2) to make this information continuous and accurate; (3) to secure an inventory of such of the industries in Canada as the Board might determine with a view to having an accurate knowledge at all times of the extent to which the various classes of labour were employed by such industries, the hours of employment, wages paid, etc.; (4) to formulate plans, subject to the approval of the Governor-in-Council, whereby the eligible men and women of the nation could be made more readily available for such industries as were most essential for the prosecution of the War. The objects of the Government were stated by Sir Robert Borden on Feb. 16 as follows: "To mobilize the man-power and resources of Canada for the vigourous prosecution of the War in all its phases; to fully co-ordinate and concentrate its efforts to meet both the urgency of the military situation and the imperative needs of food production and conservation; to increase the labour supply in essential industries."

At succeeding meetings of the Board the industrial and labour situation was studied and an examination made into the causes of unrest; the cost of living problem was investigated and recommendations made and so with the Public Employment Bureau matter; information was obtained from Munition manufacturers as to the probable employment available in their factories after the War and the questions of demobilization and reconstruction considered in their relation to labour. Other matters dealt with were the proposed establishment of a Dominion Bureau of Public Welfare, Industrial Research and Technical education, immigration, the advancement of vocational training, the Housing problem and the fair wages question; various recommendations were made and accepted by the Government and some were put into legislation. The result of the

*Note. Some of these were appointed at a later date, the *personnel* at first being F. B. McCurdy, M.P., Mrs. H. P. Plumtre, Toronto, E. L. Newcombe, K.C., J. D. McGregor, Brandon, G. M. Murray, Toronto, E. M. Quirk, Montreal, and T. Moore, Ottawa.

Registration as finally taken on June 22nd included the following persons in the various Provinces of alien birth: Nova Scotia, 7,290; New Brunswick, 3,732; P. E. Island, 279; Quebec, 46,379; Ontario, 109,645; Manitoba, 30,805; Alberta, 50,549; British Columbia, 63,479. Of these, United States citizens totalled 109,093. The totals of registration were as follows:*

Province	Male	Female	Total
Nova Scotia	150,075	158,514	308,589
New Brunswick	109,835	113,153	222,988
P. E. Island	25,395	28,294	53,689
Quebec	611,835	615,589	1,227,424
Ontario	908,594	955,148	1,863,742
Manitoba	162,096	155,351	317,447
Saskatchewan	239,512	177,822	417,334
Alberta	180,885	136,517	317,402
British Columbia	184,527	130,892	315,419
Total	2,572,754	2,471,280	5,044,034

Meantime, an Order-in-Council was passed on Apr. 4th and presented to Parliament by the Premier on Apr. 5th, which provided that "every male person residing in the Dominion of Canada shall be regularly engaged in some useful occupation." To this Anti-Loafing Law as it was called, there were exceptions such as being under 16 or over 60 years of age, a *bona fide* student in training, persons temporarily unemployed, those physically unfit or unable to obtain suitable work. The Hon. T. W. Crothers, about this time, also carried legislation for the organization and co-ordination of Employment Offices throughout Canada with a current grant of $50,000 and of $100,000 in succeeding years to be expended through the Provincial Governments—subject to agreement as to co-operation with the Dominion. The Minister, in explaining the Bill (Apr. 23rd), said that a similar Act was before the U. S. Congress and had been operated in Germany and Holland; he preferred Provincial Bureaux, aided by the Dominion, to a centralized national system; five Provinces had already legislated along these lines. An exchange or redistribution of labour as between the different Provinces was the basic idea.

Following this an incident occurred which created much criticism of the Minister of Labour—the friction between Mr. Crothers and W. F. O'Connor, K.C., Cost-of-Living Commissioner, which came to a head on Apr. 4 and resulted in the latter's resignation. There is no need to go into the issue further than to say that it was chiefly a question of discipline in Mr. O'Connor's office and the Minister's right of control or interference in respect to one of his employees; this and other petty matters in dispute left an unpleasant impression upon Parliament when the subject was discussed on Apr. 16. Dr. R J. McFall was appointed to succeed Mr. O'Connor and there the incident ended—except, perhaps, for a vigourous attack on the Minister by D. C. Ross (Lib.) on May 5th. Meanwhile Senator G. D. Robertson was doing much of the work

*Note.—These figures are official but subject to slight revision.

of the Minister in so far as personal relations with the Unions and labour interests were concerned. As the representative of Labour in the Cabinet this was quite natural and he proved successful on several occasions; he was sent to Winnipeg on May 21 to deal with the Civic strike there and on May 27th was in Vancouver as Mediator in the shipyards trouble. In both cases a Royal Commission of Inquiry was appointed—Chief Justice T. G. Mathers and F. G. Tipping, President of the Trades and Labour Council in the former case, and W. E. Burns, E. A. James and James McVety in the latter.

On June 19 the Department of Labour issued a statement declaring the unrest not so serious as claimed and the situation in Canada as very favourable in comparison with other countries. There were only a few small strikes in operation; the machinery of the Department, as a rule, effected a settlement; there were numerous Conciliation Boards under way throughout the country and the system was said to be working with elasticity and effectiveness: "It would be well to remember that there are in Canada about 1,000,000 industrial workers and if, here and there, strikes occasionally occur the million as a whole are continuously working." On the 26th Mr. Crothers issued a statement deprecating the alleged action of many employers in dismissing men for joining the Unions and he expressed deep regret at this attitude. He declared that every man should be at perfect liberty to associate himself with his fellow-workers in any legitimate labour organization without being subjected to penalties or discriminations of any character. Despite the optimistic views of the Department in June, another few weeks saw a stormy situation all over Canada and the publication on July 11th of a report submitted by Mr. Crothers and approved by the Privy Council in which the Minister suggested a definite statement of War-Labour policy and a series of Government declarations. The Minister asserted that the industrial unrest had become serious and would become more so unless action were taken. He, therefore, presented a statement of principles and policy for the Government to offer to all employers and employees for adoption during the War and this was duly approved and issued as an Order-in-Council. The proposals were made as being urgent but not obligatory and may be summarized as follows:

1. That there shall be no strike or lockout during the War.
2. That all employees shall have the right to organize in trade unions, and this right shall not be denied or interfered with in any manner whatsoever.
3. That employers shall have the right to organize in associations or groups, and this right shall not be denied or interfered with by workers.
4. That employers shall not discharge or refuse to employ workers merely by reason of membership in trade unions or for legitimate trade union activities outside working hours.
5. That workers in the exercise of their right to organize shall use neither coercion nor intimidation of any kind to influence any person to join their organizations or employers to bargain or deal therewith.
6. That in establishments where union and non-union men and women work together, and the employer meets only with employees or representatives

engaged in such establishments, the continuance of such conditions shall not be deemed a grievance.

7. That where the union shop exists by an agreement, the same shall continue, and the union standards as to wages, hours of labour and other conditions of employment shall be maintained.

8. That established safeguards and regulations for the protection of health and safety of workers shall not be relaxed.

9. That all workers, including common labourers, shall be entitled to a wage ample to enable them, with thrift, to maintain themselves and families in decency and comfort, and to make reasonable provision for old age.

10. That, in fixing wages, minimum rates of pay should be established.

11. That women on work ordinarily performed by men should be allowed equal pay for equal work, and should not be allotted tasks disproportionate to their strength

12. That in all cases where eight hours is by law or agreement the basic day, it shall so continue.

13. That a minimum production from all war industries should be sought.

14. That for the purpose of mobilizing the available labour supply with a view to its rapid and effective distribution, as well as constant employment, Employment Agencies and the Canada Registration Board should be kept informed as to conditions.

15. That in fixing wages, hours and conditions of labour, regard should be had to the labour standards, wage scales and other conditions prevailing in the locality affected.

16. That to better preserve industrial peace during the War, employers and employees should, after once establishing an agreement as to wages and working conditions, agree to its continuance during the War, subject only to such changes in rates of pay as fluctuation in cost of living may justify.

17. That when employers and employees are unable to arrive at a mutual agreement concerning any existing dispute they should use the machinery provided for in the Industrial Disputes Investigation Act.

These suggestions, with some vague modifications or additions, were the substance of this able document; to the last clause, however, was attached the recommended creation of a Labour Court of Appeal to review the finding of the Boards of Conciliation, hear further evidence from either side and state conclusions. A little later this body was appointed by the Minister with J. W. Bruce, Toronto, and Gustave Francq, Montreal, nominated by the Trades and Labour Council; S. R. Parsons, Toronto and G. H. Duggan, Montreal by the Manufacturers; Mr. Justice F. S. Maclennan of Montreal appointed Chairman. At the same time a Railway Board of Adjustment was formed consisting of six representatives of Labour and six of the Railway Companies, and it proceeded to apply the McAdoo scale of increases to the Railway wages of Canada, with S. N. Berry as Chairman. The Cabinet Labour Sub-Committee was also constituted. By these and other means the current danger of a great Railway strike was averted. In some directions this War-Labour policy was not approved—the Ontario Convention of Machinists declaring at Toronto on July 22 that it contained "many veiled threats against labour unions"; a certain number of strikes took place despite the Order-in-Council but, on the whole, it was respected and accepted by Labour.

Meantime Mr. Crothers was at the Coast early in August trying to adjust difficulties there and told the Victoria Board of Trade

(Aug. 6) and the Vancouver press on the 7th that the Government intended to enforce the Orders-in-Council respecting idle workers and the Industrial Disputes Act and to take action against strike agitators under military exemption; as to the Postmen then on strike only a few in permanent employ received the minimum wage of $1,156 and the great majority were being paid $1,469 a year. The Minister was in Calgary on Aug. 12, addressed the Board of Trade there and declared the Postal employees not justified in their action—for which he was at once denounced by a labour mass-meeting. On Sept. 24 the ban was placed by Order-in-Council on the I.W.W. and other disloyal Socialist bodies during the War period; on Oct. 1st Mr. Crothers issued a long statement as to the Labour Court of Appeal, already mentioned, and described it as promising to be a most useful body:

> The Goverment has now machinery at the free disposal of every labouring man in whatever capacity, skilled or unskilled, of high or low wage, and every employer, by which to adjust a disagreement which cannot privately be settled. We have given, as far as that is possible, the factors of industrial dispute a legal status just as shippers and railway companies, or creditors, or any other contending factors of the community have legal status. There are the first processes of conciliation and arbitration, and there is now the Court of Appeal in case either party to the dispute is not satisfied with a decision. There is, of course, a difference. In the case of the regularly constituted Court a decision at some stage is final; in the case of the Labour Court, acceptance of the decision may be optional.

Mr. Crothers told a Brantford meeting on Oct. 4 that the Court had already settled two important problems. Following all these varied steps came the Order-in-Council of Oct. 11 forbidding strikes and lockouts during the period of the War: "Any person who during the continuance of the present War shall incite, order or participate in a lockout or strike as defined in the Industrial Disputes Investigation Act and amendments thereto, in any industry mentioned therein or to which the said Act is applicable, or in connection with the operation of any Railway in Canada, before, during or after an investigation by a Board of Conciliation or by a Board of Appeal or of Adjusters, shall be guilty of an offence. Any person violating any of these regulations shall be liable, upon summary conviction, to a penalty not exceeding $1,000 or to imprisonment for a period not exceeding six months or to both fine and imprisonment. Any male person, employer or employee, of military age as defined by the Military Service Act, who violates any of the hereinabove enacted regulations and any Director of such military age, of any Company, who acquiesces in the violation by the said Company of any of said regulations, shall *ipso facto* be deemed to be a soldier enlisted in the military forces of Canada and subject to military law." Any kind of strike, coercion, or intimidation, was forbidden.

On the 15th Mr. Crothers telegraphed the striking C.P.R. men in Toronto that: "Strike before investigation, has been unlawful under the Industrial Disputes Act for more than ten years and it is now intended to enforce its provisions." Organized labour pro-

tested through Thomas Moore, President Trades and Labour Congress, that "the right to strike is the foundation of industrial liberty"; he objected (Oct. 15) to this and other vital regulations having been made without consulting Labour—(1) prohibition of trades union literature in foreign languages, (2) holding of meetings with speeches in foreign languages and (3) the prohibition of strikes; "The times," he declared, "are too critical, and civilization has yet too much at stake to trifle and experiment with men's passion as the Government seems to be now doing." On the other hand, James Murdock, Vice-President of the Brotherhood of Railway Trainmen, telegraphed congratulations to Senator Robertson on the prohibition of strikes in war-time. The Labour Department also issued a statement showing that Labour had been given representation on 8 Government war organizations to a total number of 17 and declaring that the Government, in passing the anti-strike Order, did not go beyond the accepted results of the Conferences early in the year—namely, that there should be no strikes or lockouts during the period of the War. Moreover, the regulation applied to employer as well as to employee and its prohibition of strikes was not more stringent than that of lockouts.

Messrs. Moore and Draper waited on the Government on Oct. 23 and urged the repeal of the Order; they were told that prohibitions as to foreign language literature only referred to seditious and Bolsheviki material; as to lack of consultation, it was pointed out that the Brotherhood of Railway Employees refused to submit its grievances to the Railway Labour Board and on Oct. 11 notified the Government that on the 14th it proposed a Dominion-wide strike of its union which would have affected every Canadian railway; prompt action was necessary and the prohibition followed. The issue was disposed of by the Armistice and on Nov. 14 the "no-strike" was revoked. Meantime, on Oct. 4, an Order-in-Council had changed the regulations as to Municipal inquiry into the cost of living, under the Labour Department, by increasing the powers of investigation to those of a Royal Commission, with the findings to be reported to the Minister and published—with, also, full discretion to Municipal Councils as to the prosecution of profiteers indicated in such findings with heavy penalties involved.

On Nov. 7 the resignation of Hon. T. W. Crothers, K.C., as Minister of Labour was announced, on account of ill-health and after 7 years in office; it was accepted by the Premier with expressions of appreciation for his services in a very trying period—services which were very real despite the Minister's lack of conciliation in manner and words. His natural successor was Senator Gideon D. Robertson, President of the Canada Registration Board, representative of Labour in the Cabinet and with a year's experience in handling Government and Labour regulations. On Nov. 17 a Conference was held at Ottawa to discuss current unemployment with Senator Robertson in the chair and various Provincial representatives and Labour delegates present. Practical steps were taken to extend the

system of Provincial Bureaux of Labour. Under the accepted plans of the Minister of Labour the Dominion Government would establish the two Federal clearing houses—one for the West at Winnipeg and the other for the East at Ottawa. The Provincial Governments, with assistance from the Dominion, would maintain or organize their own Employment exchanges and work in close co-operation with the two Federal exchanges. On Dec. 17 an Order-in-Council formulated the Minister's plan for operating a chain of official Employment Bureaux or Labour Clearing-houses throughout the Dominion. Co-operation and co-ordination of Dominion, Provincial and Municipal nature were the watchwords and an Advisory body was created to be called the Employment Service Council of Canada, with members representing Industry, Labour, Railways, Agriculture, Returned Soldiers and the Department of Labour. A Director of Labour Research and Employment was to be appointed with these duties: (1) to treat with Provincial Governments as to the establishment and development of employment offices, the standardization of such offices, and their co-ordination into a national system; (2) to supervise labour clearing-houses; (3) to negotiate annual agreements between the Dominion and Provincial Governments; (4) to study and report on employment and ways and means of lessening unemployment—including wages and hours, etc.

The annual Delegation from organized Labour waited upon the Government on Nov. 27 and presented their requests for action or legislation; many of them in repetition of preceding proposals. The most important were as follows: (1) Pensions for widowed mothers and deserted wives; (2) Pensions for widows and children of sailors and civilians; (3) Old-age pensions and Federal insurance for soldiers; (4) a Fund for insurance against sickness, national control of Hospitals and a Federal Health Department; (5) an increase in the alcoholic strength of "Prohibition" beer; (6) Government ownership of Railways; (7) higher land-taxes and the making of injunctions against strikers illegal; (8) an 8-hour day on all Public works and the establishment of minimum wages; (9) prohibition of coolie labour importation. The usual consideration was promised.

Canadian Agriculture and the War in 1918; Policy of the Government.

The agricultural season of 1918 was a great disappointment to the farmers, the Government, and the people. Drought and frosts and high winds created a condition similar to that of 1906, 1910, 1914, and all the special efforts of Food Board, Minister of Agriculture and farmers themselves, failed to bring the large production that was hoped for. The wheat average of 1917 had been 14,755,850, the bushels per acre were 15:75, the total product 233,742,850 bushels; the acreage of 1918 grew to 17,353,902, the bushels per acre fell to 12 and the total product to 210,315,600. Oats, however, showed an increased production of 53,000,000 bushels, barley of 28,000,000, rye of 6,000,000, mixed grains 16,000,000. Livestock did much better and Horses, on June 30th, 1918, numbered

3,608,315 or an increase of 196,000 in the year; Cattle totalled 10,049,696 or an increase of 2,128,000; Sheep numbered 3,037,480 or an increase of 668,000; Swine totalled 4,289,682 or an increase of 670,000 in the year.

Values in all grains and, to a lesser degree, in Live-stock showed a steady advance; it is interesting in this connection to consider the profits made by the farmers during this period. In the five War seasons of 1914-18, the total farm value of wheat produced in Canada was $1,732,046,600 compared with a total of $684,525,000 in the five preceding seasons of 1909-13. The average farm price per bushel went up from 22 cents in 1914 to 91 cents in 1915, $1.31 in 1916, $1.94 in 1917 and $2.02 in 1918.* The total value of all field crops in Canada was $1,367,909,970 in 1918 compared with $1,144,636,450 in 1917, $886,494,900 in 1916, $825,370,600 in 1915, $638,580,300 in 1914—a total for all the War years of $4,863,000,000. Similarly, the values of Live-stock grew as follows: Horses, $371,430,363 in 1914 to $459,155,000 in 1918; Cattle from $297,130,793 to $706,058,000; Sheep from $15,550,710 to $48,802,000; Swine from $42,418,325 to $112,751,000—a total growth of values in the War years from $726,000,000 to $1,326,000,000.

The value, therefore, of what the farmer sold or owned had very nearly doubled in these years; the value of what he purchased may have done so also, but as the basic food supplies came from his farm, the additional expense was not nearly so serious as to the urban population. Wages appear to have doubled and official statistics showed the wage for farm help in Canada as a whole to run as follows: Per month in 1914 for the summer season (including board) $36 for male labour and $19 for female—in 1918, $70 and $38, respectively; per year (including board) in 1914, $323 for male labour and $189 for female—in 1918 $617 and $416, respectively. If the Census returns for 1917 be taken—the latest figures available in many details—they may be condensed into the following table of values:

	1915	1916	1917
Field Crops	825,371,000	886,495,000	1,144,637,000
Farm Animals (exported, sold or slaughtered)	73,958,000	110,201,000	156,569,000
Wool	3,360,000	4,440,000	7,000,000
Factory Cheese and Creamery Butter	51,482,000	62,479,000	74,487,000
Dairy Butter	45,000,000	47,000,000	103,072,000
Home-made Cheese	278,000	351,000	263,000
Milk	49,245,000	42,986,000	55,000,000
Fruits and Vegetables	35,000,000	35,000,000	40,000,000
Poultry and Eggs	35,000,000	35,000,000	40,000,000
Gross Total Value	1,118,694,000	1,223,952,000	1,621,028,000

Add to this 1917 total of $1,621,000,000, the $200,000,000 increased value of field crops in 1918; the total values of Live-stock in that year or $1,326,000,000; the estimated value of agricultural

*Note. Official figures: *Canadian Official Record*, July 24, 1919.

land in Canada or $2,792,000,000, the value of farm buildings or $927,000,000 and of implements or $387,000,000 and we have a total estimated wealth for 1,000,000 Canadian farmers of $7,253,000,000—a far larger average than the rest of the population could claim or hope for. Meantime, the policy of the country had been directed along lines which might make production easier for the farmer. Much help was sent from the cities to aid in seeding and harvest; the higher prices for all farm products—which constituted the food of the people—was paid by rich and poor alike with a minimum of discontent; a free market for wheat was arranged in the United States and the free import of farm tractors permitted; Conscription was administered most delicately with many exemptions for those engaged in farm work; direct taxation found a very small mark in the farmer as his visible income, with living expenses taken out of the farm and little book-keeping done made it hard to estimate totals correctly; the large increases in Savings bank deposits, despite the popular subscriptions to War Loans, showed where some of his profits went.

In the year ending Mch. 31, 1918, the British Government alone took and paid for at current high rates, $400,000,000 worth of food stuffs, including wheat, $303,776,038, Bacon, $57,786,615, Cheese, $36,277,359, Oats $22,218,299; during the War years the total exports of agricultural products and animal produce—chiefly to Great Britain—were as follows: 1914, $251,569,148; 1915, $209,136,793; 1916, $352,543,470; 1917, $501,209,169; 1918, $740,456,665—a total of $2,055,000,000 or $500,000,000 a year. To develop this huge production and trade the Governments concerned did everything that was possible—in providing labour and transportation, in arranging sales to Great Britain and providing the money to finance the British purchases, in guaranteeing the price at certain junctures, in the provision of Elevator facilities, in regulating Railway rates.

Incidents associated with this development included the report of the Hudson's Bay Co. which showed prices for its farm lands in the West as running from £1 8s. 10d. in 1882 to £2 17s. 7d. in 1911 and £3 13s. 6d. in 1917; the fact that if the price of wheat which the farmer had to sell was fixed—at a high rate—with some other products, so were the prices of flour and sugar and other articles which he had to buy; the dominating influence in 1918 of the farmer in the West, from the Grain Growers' Associations with their great business buildings and warehouses and elevators, to the large place held by agriculture in every branch of Provincial life and politics; the increasing demand for Western farm lands, the continued influx of wealthy American immigrants with, for instance, the purchase of 5,400 acres near Tompkins, Sask., for $325,000 cash, by a Chicago syndicate; the ever-growing facilities for borrowing money—from the Farmers' organizations and Government plans of rural credit legislation to the improved lending arrangements of Bank branches everywhere; the increased value of

Western field crops (Manitoba, Saskatchewan and Alberta) from 240 millions in 1913 to 663 millions in 1917 and 692 millions in 1918; the steady increase of the grain storage capacity of Canada by 1,500 per cent. in 20 years and during the War years from 124 million bushels in 1914 to 179,981,000 bushels in 1918; the tremendous importance to the farmer, in production, in home comfort, in social life of the automobile and tractor, the telephone and motor truck; the advantage accruing to the Western farmer, especially, of Seager Wheeler's wheat experiments and his development of the Marquis and Red Bobs varieties; the Western legislation controlling implement makers and simplifying various farm contracts. It may be added here that the total Field Crops of Canada in the year 1918 compared with 1915 were as follows:

Field Crops	Area in Acres, 1915	Area in Acres, 1918	Total Yield Bus. 1915	Total Yield Bus. 1918	Total Value 1915	Total Value 1918
Fall Wheat	1,030,581	416,615	29,320,600	7,942,800	$ 27,149,700	$ 16,516,000
Spring Wheat	14,078,834	16,937,287	364,222,000	181 132,550	329,667,200	365,151,700
All Wheat	15,109.415	17,353,902	393.542,600	189,075,350	356,816,900	381,677,700
Oats	11,555,681	14,790.336	464.964,400	426,312,500	171,009.100	331,357,400
Barley	1,718,432	3,153,711	54,017,100	77,287.240	27,985,800	77,378,670
Rye	121,677	555,294	2.486,200	8,504,400	1,921,900	12,728,600
Peas	196,065	235,976	3,464,250	3,099,400	5,724,100	7,873.100
Beans	43,310	228,577	723,400	3,563,380	2,206,800	19.283,900
Buckwheat	343,800	548,097	7,865,900	11,375.500	5,913,000	18,018,100
Mixed Grains	467,001	921,826	17,517,600	35,662,300	10,062,300	40,726,500
Flax	462.359	1,068,120	6,114,000	6,055,200	9.210,400	18.951.000
Corn for Husking	253,300	250,000	14,368.000	14,214,200	10,243,000	24,902,800
Potatoes	485,777	785.192	60,353,000	104,364,200	36,459,800	102,235,300
Turnips, Mangolds, etc	156,691	325,137	60.175,000 tons	122,699,600 tons	14,588,700	52,252,000
Hay and Clover	7,776,995	10,544.625	10,612,000	14,772,300	152,531,600	241,277.300
Fodder Corn	332,469	502,069	8,382,770	4,787.500	16,612.600	29,430.100
Sugar Beets	18,000	18,000	141,000	180,000	775,500	1,845,000
Alfalfa	98,488	196,428	260,970	416,400	3.309,100	7,963.500
Total	54,249,875	69.111,092	1,498,510,790	1,191.474,920	$1,182,187,500	$1,749,568,670

What of the Government in this connection? The Hon. T. A. Crerar as Minister of Agriculture, was familiar with Western needs and Western demands; as a leader in the Grain Growers' organizations, he had to hold the scales in certain fiscal and other problems of the year under circumstances of some difficulty. His annual Report for Mch. 31, 1918, reviewed the Orders-in-Council for which he was responsible as including that of Feb. 4 providing for inquiry into the supply of seeds, fertilizers, etc., and those of Feb. 20th and Mch. 8th regulating the issue of Patents of Invention; stated the subsidies granted to Cold Storage warehouses as $671,690 or 30 per cent. of the cost of the warehouses; described the work of the Dairy and Cold Storage Branch, that of the Seeds Commissioner and the Live-stock branch, the Federal aid to Farm Associations and the work of Dominion Experimental Farms and their 20 stations throughout the country, the Health of Animals' Branch, the Fruit, Entomological and Publications Branches—the latter having in the year issued 8,512,949 reports, pamphlets, leaflets, etc. During the fiscal year there were 9,080 Patents and certificates granted. W. J. Black, as Commissioner under the Agricultural Instruction

Act, reported at length regarding its operation in the various Provinces receiving grants—the total for its first four years being $3,400,000 divided as follows:

Ontario	$993,774.24	British Columbia	$222,132.58
Quebec	805,414.49	Nova Scotia	258,294.05
Manitoba	244,994.02	New Brunswick	207,435.13
Saskatchewan	258,329.40	P. E. Island	113,944.69
Alberta	215,681.40	Veterinary Colleges	80,000.00

The Report of J. H. Grisdale, Director of the Experimental Farms, showed a vast amount of useful work. Other matters taken up by the Department included investigations into the fibre flax industry, the erection of a fully equipped flax mill and an effort to utilize Western flax straw for fibre purposes; a close study of the black or stem rust disease which had caused great loss in Western grain fields and the establishment for this purpose of field laboratories at Brandon and Indian Head; the special production of field, root and vegetable seeds at various Experimental Farms in preparation for expected shortages. In this connection a survey of seed stocks was taken by the Seed Branch in collaboration with the U.S. Seed Stocks Committee and with reassuring results. It was also found necessary to open a new laboratory at Winnipeg in October to test, for purity and germination, samples sent in by farmers and seed merchants. The operations of the Seed Purchasing Commission were extended to include rye, peas, beans and corn, and a new marketing service for clover and grass seed was started at the Government elevator at Calgary with successful results.

Valuable results were effected in plant breeding work for fruits, vegetables, tobacco, forage and cereals with Ruby wheat, Liberty oats and Alberta barley as the chief new varieties of grains. As to Live-stock, the work with milking machines and experimental calf-rearing was brought to a satisfactory conclusion, while poultry survey work and egg-laying contests were commenced and the study of fertilizers and substitutes, plant diseases, tobacco-growing, and bee-keeping was developed. Owing to the dry summer of 1918, a serious feed shortage developed in the southern districts of the Prairie Provinces, while in the northern parts feed was plentiful; in order that the cattle might be brought through the winter, the Department of Agriculture undertook to meet half of the freight charges in carrying feed from the north to the south, or cattle from the south to the north, the other half being met by the Railways. The Live-Stock Branch was given charge of this work, and over 10,000 cars of feed were trans-shipped while, in Alberta, 31,000 cattle and 59,000 sheep and, in Saskatchewan, 118 cars of cattle and one car of sheep were moved north. Additional aid was given to Live-stock organizations with a view to breeding better stock and the production of an increased meat supply.

Mr. Crerar did his best during the year to promote increased production and consulted Provincial Ministers and Agricultural leaders, generally, with a view to this end. In view of the attitude

of the Farmers' organizations upon Conscription Mr. Crerar was in a rather difficult position but he was one of the Cabinet representatives who received the great Delegation of May 14th and, though he did not speak, was obviously in accord with Government policy. Meantime the new Minister had been making changes in the organization of his Department which arose naturally out of his experience in control of a large business concern—the Grain Growers' Grain Co. He had found, on coming to Ottawa, that the Department, with its varied branches, was scattered through 11 buildings within a large area of the capital. Attached to the Department, also, were branches which had nothing in common with the science of agriculture. The first problem it was expected would be solved by the completion of the new Departmental block then under construction; the other was arranged by transfer of the International Exposition work and that of Public Health, Quarantine regulations, Trades Marks and Timber marking, and laws relating to Patents and Copyright, to other Departments. Another important change was the appointment of J. H. Grisdale, D.S.A., B.AGR., as Acting Deputy Minister—G. F. O'Halloran going to the Trades and Commerce Department. A Feed Division, also, was organized with R. S. Allen, an expert, in charge of work which included co-operation with the Food Controller, the placing of a complete embargo upon the export of bran and shorts, and the fixing of a price for those products—the consequent availability of larger supplies for Canadian farmers and increased production of pork and bacon.

In the Commons on Apr. 3rd, Mr. Crerar explained the Government's policy regarding Oleomargarine. The War had created a very heavy demand on Canada and the United States for dairy products, and the effect of the huge export of Canadian dairy produce which followed was to decrease the amount available for consumption in Canada; as a direct result of this, during the year 1917, a large number of requests were received by the Government for the removal of the ban on oleomargarine. The Minister added that the decision to allow the importation and manufacture of this product had been reached before he became a member of the Government but the regulations had been carefully drawn up by the Dairy Commissioner; the manufacture was under the direction of the Minister, as was the importation; the regulations provided that only wholesome materials should be used in the manufacture and these materials be subject to inspection.

The work of the Grain Commission (Board of Supervisors) at this juncture was vital. Its members were L. H. Boyd, K.C., W. D. Staples and J. P. Jones and, in a drastic order issued on Jan. 30 it was stated that the Board would in future control all wheats in Government terminal elevators at Port Arthur and Fort William, or that might be received at those elevators during the period of closed navigation, and that all of this grain would be held for the account of the Wheat Export Company—the British Government's

purchasing agency. Rules and regulations affecting the marketing of the coming crop were arranged and issued by this body and they acted in close co-operation with a similar authority in the United States; they also facilitated the expeditious collecting, forwarding, marketing and distribution of Canadian grain crops. The question of a fixed wheat price was important, with the Grain Growers' Associations urging a fixed minimum price for both the 1919 and 1920 crops; as to this the Grain Commission, the British Wheat Export Co., the Banks and Winnipeg Grain Exchange, the Grain Growers and the Provincial Governments all made representations to the Minister of Agriculture; the price set for the 1917 crop was on a basis of $2.21 a bushel and had stabilized prices and guaranteed the farmers a rate of 160 per cent. higher than in 1914; it had also helped to prevent prices rising sky high; the price of the 1918 crop was fixed at $2.24. Eventually it was decided not to take action as to 1919 despite the United States guarantee of $2.24½ per bushel. This whole subject was ably reviewed by W. Sanford Evans of Ottawa in the Ottawa *Journal* of Dec. 7th.

In another direction the Government had done much for the farmer. Through Dominion credits to the Imperial Government the entire Cheese product of the year was purchased and the farmers paid $40,000,000 in cash; so with a $10,000,000 surplus, for export, of butter, eggs and condensed milk. In September the Deputy Minister was in the West seeking a remedy for the current shortage of seed wheat in many quarters coupled with inability to pay for the supplies needed; by an Order-in-Council of Oct. 7th assistance was given in the form of loans through the Banks at 7 per cent. per annum with a guarantee by the Government of principal and interest to the extent of 5 per cent. There was, also, a shortage as to seed oats and by Order-in-Council (Nov. 28th) the Dominion Government Seed Purchasing Commission was instructed to requisition oats for the purpose at three Western points; this Commission, with Headquarters at Regina, had in the previous year, purchased 629,000 bushels of seed wheat and 408,000 bushels of seed oats for Western distribution at a price sufficient to cover net cost and with the co-operation of the Manitoba and Saskatchewan Governments.

Meantime Mr. Crerar had sent W. J. Black to the Western Provinces in July to make a survey of the instruction and demonstration work in Agriculture and home Economics which was being carried on with the funds provided by the Federal Department of Agriculture, and especially to look into the heavy requirements for agricultural instruction which would follow the War; at this time, also, the great purchasing work done by the Dairy Branch for the Imperial Government—totalling in three years 12,197,776 bags of flour, 77,000,000 bushels of oats, 440,000 tons of hay and reaching $100,000,000 in value—was handed over to the British Wheat Export Co. as official agents. In Ottawa, on Sept. 13, Mr. Crerar stated that one of the most necessary things in Canada for the

development of the whole producing industry was a first-class refrigerator service on trains and boats and a first-class storage system. This the Department had under consideration. As to the future he pointed out that: "Our national income requirements will be something like $300,000,000; and that is a great task for 8,000,000 of people, scattered over a vast area. If our population is confined to that number the burden will be a terrific one." The solution was obvious—immigration and economy. In December W. R. Reek, lately Deputy-Minister of Agriculture in New Brunswick, was appointed Assistant to H. S. Arkell, Live-stock Commissioner; Mr. Crerar was in Calgary on Dec. 20th and told the Board of Trade that he had found that "many hundreds of thousands of dollars were being wasted every year by duplication of work amongst the Federal and Provincial Governments of Canada."

A most important action of the Minister in this year was the assent of the Government to his proposal for the free admission of Farm Tractors under $1,400 in value—the current duty being 25 per cent. or $200 on an $800 machine; with, at the same time, the admission of meat cattle being made free of a 25 per cent. *ad valorem* duty *plus* 7½ war-tax. This policy was carried out early in February and met with wide popularity as did the concurrent purchase by the Government of 1,000 Ford tractors to be sold at cost to the farmers, and for the purpose of aiding production. There was no doubt of the profit and usefulness of these machines in plowing and in other directions requiring power, but they needed expert management and their value was sometimes exaggerated. The automobile, with its kindred tractors and motor trucks had, however, become an important element in agricultural life with over 200,000 motor cars, alone, in the country at the beginning of 1918. Farmers all over Ontario and the West were in possession of automobiles and they revolutionized certain elements of farming. They facilitated communication between farm and city, and hastened supplies, facilitated sales and shipments, relieved horses for necessary farm work, saved the farmer time and gave his family recreation.

As to motor trucks their facilities for hauling crops to market and for carrying heavy loads about the farm, for road-work, for tillage, and even for stationary power-work such as operating water pumps, threshing-machines, wood-saws, and driving-plows were all conspicuous. For the tractor, it was publicly claimed at this time that in Kansas it was doing the work of 20,000 men and that the tractor-operator could raise larger crops because he plowed deeper, and made a better seed-bed, could better cultivate and till the soil, and could double his output; could attend to more than twice the land and do it better, with less labour and with less expense. Hence the importance of the purchase made by the Minister of Agriculture after tests had been completed by Hon. C. A. Dunning of Regina and J. D. McGregor of Brandon; hence the fact that on May 15th it was announced that the Canada Food Board had

completed arrangements with Henry Ford and Son to continue to furnish tractors at cost for the use of Canadian farmers and that farmers who wished to secure them should place their orders with their Provincial Department of Agriculture.

Another matter in which the Minister was concerned was the development of a flax industry. Russian supplies by 1918 had failed, Argentina was affected by the lack of transport, the last Irish flax harvest had dwindled to 26,000 tons and was sold at a price which made flax-yarn worth about $1.00 a pound, the British Government wanted 50,000,000 pounds of fine aeroplane linen as a first order and production promised large and legitimate returns. The British authorities, meanwhile, supplied 10,000 bushels of flax seed for Canadian use and Lieut.-Col. E. R. Wayland was placed in charge of distribution to such farmers as would undertake production; at the same time $4.50 per bushel was guaranteed for the product of this seed. There was already some Canadian production, especially in Ontario, where 8,000 acres in 1917 had grown 1,400 tons of fibre and 72,000 bushels of seed; Gaspé County, Quebec, and the Annapolis Valley in Nova Scotia were now especially urged to co-operate as well as the West. The subject was discussed in the Commons on Apr. 29th and Mr. Crerar stated that the chief difficulty was in lack of labour but that Canadian soil and climate were admirably adapted to flax production; the Department of Agriculture urged action upon the farmers and a considerable crop was sown—with a 50 per cent. increase in Ontario; in 1918 the export from Canada was 6,455,000 bushels at $18,951,000 but only a little of this was the flax fibre so much desired. As to labour E. S. Archibald of the Department of Agriculture stated on Dec. 4th that: "The great difficulty has been in getting labour for pulling and we have assisted an inventor in perfecting a mechanical flax-puller. That machine, capable of pulling four or five acres a day, is now being made in a commercial way, and it will simply revolutionize the whole flax-growing industry."

Meanwhile, a Government wool-selling scheme along co-operative lines had done much in 1917 to save and develop the wool industry of the West. In Toronto on Feb. 5, 1918, there was held a Convention of Canadian Wool-growers to consider the current situation; T. R. Arkell of the Sheep Division, Agriculture Department, dwelt upon the value of co-operative work; an organization was created called the Canadian Co-operative Wool Growers' Ltd., with a capital of $200,000 and Col. Robert McEwen, President of the Canadian Sheep Breeders' Association, as President of the new concern; a strong argument was made that as wool prices were controlled in England, Australia, the Cape and South Africa, and latterly in the United States, it was only fair that some such control be enforced in Canada; the basic discussions turned upon the alleged indifference of Canadian woollen manufacturers to Canadian sheep-raisers and their purchase of wool from Australia or wherever they could get it cheapest. Finally, a Resolution was

passed declaring that: "If the Canadian Government has urgent need of Canadian wool for war purposes the sheep-raisers freely and willingly offer their 1918 clip to the Government for control on the basis of 1917 market prices gained in co-operative sales through the Dominion Wool warehouse at Toronto." Following this Convention the Alberta sheep interests expressed full approval of the new Company; a Dominion Wool Dealers' Association was formed in Toronto with H. O. Carter as Chairman; on Apr. 17 under the auspices of the War Trade Board a Conference was held between representatives of the wool dealers, pullers, manufacturers and sheep raisers. An agreement was reached and a Resolution passed along these lines:

> That the Canadian War Trade Board request the U.S. War Trade Board to continue to allow the free export of Canadian grown wools, both fleeced and pulled, to the U.S.A. on the basis that grading is permitted in the same without exercising Government import options; and, further to encourage the import of foreign free wools, that the Canadian Government remove the embargo at present in effect which prohibits the re-export from Canada to the U.S.A. of foreign free wool now held or in future imported into Canada, the export of this to be under license.

Meantime the Co-operative Company was selling wool direct to the manufacturers and thus bringing the farmer in direct touch with his final customer without the intervention of several middlemen. In the middle of May, the War Trade Board issued an order that all Canadian wool-growers, or their interests, would be required to give the Canadian buying interests a ten-day option on all wools before an export license would be granted the prospective exporter; an ensuing scarcity of Canadian wool, inability to obtain sufficient wool from Australia, the military demands of the period, further complicated matters and greatly increased prices which ran from 32 cents a pound for greased wool in 1916, to 68 cents in 1918, while a woollen fabric costing $2.10 a yard before the War now ran up to $7.85 a yard. By the close of the year wool production had greatly increased while the numbers of sheep ran nearly 700,000 in advance of 1917.

The general Live-stock possibilities of Canada, meanwhile, grew with every month of war and the increasing depletion of the world's stocks. As the Canada Food Board pointed out in 1918 the Dominion shipped to Great Britain 29,680,000 pounds of Beef compared with British imports of over 1,000 million pounds; the decrease of cattle in France, Italy, Denmark, Sweden and Germany since 1914 had been 6,506,000 head; the number of milch cows in Canada, per 100 acres of land in a farm was 2 compared with the normal number of 14 in Denmark, 16 in Holland, 5 each in France, Great Britain and Italy and 8 in Germany—with an average of 20 in nine American States; the export of 130,000,000 pounds of Canadian Hog products to Great Britain compared with an import of 1,200,000,000 pounds and a decrease in the five European countries mentioned above of 24,700,000 hogs. The Department of Agricul-

ture in many advertisements and by all possible publicity, pressed these points upon the farmer.

It was pointed out that in the four years of War (1913-14 to 1917-18) Canada's export of live animals, poultry and dairy products increased from $59,408,256 to $284,510,286; the feed scarcity which developed in the West during the summer was met by the Minister of Agriculture—after conferences with the Railway officials—through arrangements for the conservation of breeding stock and special emergency rates for moving stock from the dry areas into new feeding districts and also for shipping of hay and rough feed. Despite difficulties of this nature, the great Union stockyards of Winnipeg, Calgary and Edmonton, handled in the 1918 season $73,000,000 worth of stock or an increase of $14,000,000 over 1917. In Parliament, during April, Mr. Crerar carried legislation amending the Animal Contagious Disease Act so that compensation to be paid the owners of animals slaughtered under the provisions of the Act would be increased up to a price of $200 for each horse, $80 for each head of cattle and $20 for each pig or sheep, and in the case of pure-bred animals, $500 for each horse, $250 for each head of cattle and $75 for each pig or sheep. Mr. Crerar explained on Apr. 16th that the value of animals had increased to such an extent since the passage of the Act that the compensation previously provided was not now adequate.

During May the Eastern and Western Live-stock Unions amalgamated as the Canadian National Live-stock Council and, on Oct. 26, H. S. Arkell summarized the Government policy in this connection as follows: "Plans have been devised which are resulting in the return to country points of large numbers of stockers, feeders and breeding cattle, which, under existing conditions, would otherwise have been exported or slaughtered. Co-operative marketing is being encouraged. The important live-stock markets of the country are under Federal control. A great stimulus has been given to improved breeding methods and the larger producing areas are provided with reasonable abattoir and cold storage facilities." Early in November the Minister called a Live-stock Conference (including Meat packers) at Ottawa to discuss the crisis produced by the close of the War and to help in establishing the industry upon a permanent and profitable basis. It was held on Nov. 19-20 with J. H. Grisdale in the chair and was addressed by Mr. Crerar, Mr. Arkell and others—H. B. Thomson of the Food Board stating the European deficit in Live-stock as 115,000,000 head. A series of questions was put before the delegates for consideration and in response the following opinions were expressed by Resolution:

1. That a policy of Rural Credit sanctioned and supported by various Governments had proven of enormous assistance to agriculture in European countries, and also had recently been adopted by the United States, and that such loans to the farmers of Canada would assist greatly in equalizing markets, improving and increasing all herds and flocks and in the better finishing of meat animals.

2. That in view of the demand for agricultural products in France, Belgium, and Italy, the Government should take steps to establish credits in Canada for these countries.

3. That with the view of establishing immediate commercial connection in Europe to secure the maximum business for Canada, the Government at once appoint a representative, preferably Mr. H. B. Thomson, whose business it would be to obtain the fullest possible recognition for Canadian interests in supplying such products.

4. That the Government be requested to provide the necessary marketing facilities to make possible the development of a permanent and extensive export trade in chilled beef and other meat and animal products, and that immediate steps be taken in connection with the Government's programme of Shipping and railway transportation to provide adequate controlled temperature space in railway cars at the terminal harbour fronts and on ocean-going vessels.

5. That the Government give authority and the necessary financial support to the Department of Agriculture in launching a propaganda throughout Canada, (1) for the maintenance and immediate increase of production in live stock, and, (2) for a campaign of education for the improvement of the breeds of live-stock.

Following this meeting a further Conference was held with representatives of the Dairy industries on Nov. 25-28. J. A. Ruddick presided and elaborate recommendations were made as to improved milk standards, commercial grades of dairy products, pasteurization of cream for butter making, etc. An important motion urged the formation of a National Dairy Council and another asked for the rescinding of the Oleomargarine order and a declaration that its manufacture and sale would be illegal. The Council was duly formed with E. H. Stonehouse, Weston, Ont., as President. In April, it may be added, a Dairy Produce Commission had been organized to act for the British Ministry of Food and composed of the Chairman of the Allied Provisions Export Commission or his Canadian representative, A. J. Mills, together with James Alexander, Montreal, J. A. Ruddick for the Minister of Agriculture, Dr. J. W. Robertson for the Canada Food Board, James Donaldson, Atwood, Ont., and A. Guerin, Coaticook, Que.

Meanwhile, continued efforts had been made to bring and keep the farmers and business men of the West together. A Joint Committee of Commerce and Agriculture, which had been in operation for two years, met in conference at Regina on Mch. 13 with Dr. J. G. Rutherford in the chair and included 50 representative men such as J. W. Leedy, Rice Sheppard, G. R. Marnoch, Grant Hall, G. F. Chipman, Vere C. Brown, R. McKenzie, F. H. Auld, J. B. Musselman, with others who were all well-known in different lines of thought and work throughout the West. It was decided that a special Conference should be held between representatives of the Retail Men's Association, the Credit Men's Association, the Canadian Manufacturers' Association, and the Canadian Council of Agriculture on the general subject of wholesale and retail business in the West. The question at issue was co-operative trading, as developed by the Grain Growers' organizations, and its competitive effect on retail business. A unanimous Resolution was passed, in view of the need for greater production, declaring that the Dominion Govern-

ment should take immediate steps to confer with the manufacturers of agricultural implements and see if some satisfactory arrangement could be arrived at for removal or reduction of the duty on farm implements and upon the raw materials entering into their manufacture.

Another motion declared that the fixing of a guaranteed minimum price for the 1919 wheat crop would serve as a powerful incentive to production and would afford a basis for the extension of credit to the farmers for this purpose. On June 12th, at Montreal, during the meeting of the Canadian Manufacturers' Association, R. McKenzie of the Manitoba Grain Growers, S. R. Parsons, President of the C.M.A., Sir John Willison and Senator Fred. Nicholls all expressed a desire for farmers and manufacturers to get together and discuss the Tariff issue. During this period, however, the Resolutions and annual meetings of these organizations did not show any *rapprochment*. The Canadian Council of Agriculture, representing the Grain Growers of the West and the United Farmers of Ontario, held its annual meeting in Regina on Mch. 12-13. H. W. Wood, Calgary, was re-elected President, Roderick McKenzie, Winnipeg, Vice-President and G. F. Chipman, P. Wright and J. A. Maharg, M.P., members of the Executive. Resolutions were passed declaring:

1. That the Union Government should at once fix the price of the 1918 wheat crop and also a minimum price for the 1919 wheat crop.
2. That the Union Government should, without delay, remove the duty from all necessary farm machinery and implements as a war measure and from all raw material used in the manufacture of the farm machinery.
3. That the proposed increase in freight rates is one to which the Council is unalterably opposed and that only one satisfactory solution of the Railway problem of the Dominion can be obtained—Nationalization.

It may be added that at the close of the year J. A. Maharg, M.P., and Dr. Magill of the Winnipeg Grain Exchange left for England to arrange for the disposal of the 1918 grain crop. What of the farmers in the War? The opposition of certain Agricultural organizations to the cancellation of farmers' exemptions in April, 1918, has been dealt with in connection with the M.S.A.; it was during most of the year a very vital question affecting labour and production. There was always a shortage of labour in the West at seeding and harvest time; in this year the usual cheap excursions bringing thousands of men to Western Canada as harvesters were restricted by conscription and lack of labour in the East; the numbers reported as required were greater than ever before—Alex. Ross, M.L.A., stating in Calgary on Feb. 6th that 80,000 would be required to conduct both seeding and harvesting while a Sub-Committee of Parliament (Apr. 26) put the number at 50,000; the situation was accentuated by the fact that not only did each Province have to more or less look after itself for additional labour but that the United States was so busy with its new Army that, despite reciprocal Government arrangements, not a great deal of aid was expected

from that source; the demands for higher wages, running up to $100 a month, also caused alarm amongst the farmers.

All the Provinces made a special effort, women and city labour of all kinds volunteered to help and, in the end, no ill effects were visible while the Report of the man-power registration of June 22nd stated that: "Beyond question, we have in Canada an abundant supply of labour, experienced in farming and willing, upon request, to devote itself to farming, but which is at present employed in other occupations. In the Provinces of Ontario and Manitoba alone, there have been secured the names of over 140,000 men, all with some training in agriculture, but for the present otherwise employed, whose services are available as harvest hands, should they be required." The farmers, however, or a considerable section of them, utilized this supposed situation and its difficulties to the hilt in urging agricultural exemption. The Canadian Council of Agriculture, the United Farmers of Alberta, the United Farmers of Ontario, the Western Non-Partisan League, were vigourous in their attitude. The Manitoba Grain Growers' Association on Jan. 9th declared by Resolution that "all *bona fide* farmers and farm labourers who have been called under the M. S. A. be immediately returned to the farms and exempted"—except in cases of large families with no voluntary contribution to the Army; similar views were expressed by other organizations. As against this agitation was the practical fact that 100,000 men were estimated to have volunteered from the farms of Canada. The farmers did everything possible to increase production and the leaders in most of the Agricultural organizations strongly urged action along this line. The campaign carried out by Hon. C. A. Dunning of Regina at the request of the Minister of Agriculture was most earnestly pressed and, upon the whole, warmly responded to with thousands of meetings held throughout Canada; the chief argument in favour of agricultural exemption was this pressure for increased production. A maximum effort was undoubtedly put forth; in urban centres great efforts at organizing farm workers were made. In 1918 the exports of beef increased over the average of 1910-14 by 75,000,000 pounds or 6,795 per cent.; the net exports of pork by 125,000,000 pounds or 571 per cent. The net result, in grains though a bad year for wheat, may be seen in comparative form for the four war seasons:

Year	Wheat Bus.	Oats Bus.	Barley Bus.	Rye Bus.	Peas Bus.	Other Grains Bus.
1915..	426,746,000	523,684,400	60,699,100	2,394,100	3,478,850	51,107,400
1916..	220,367,000	351,174,000	41,318,000	2,896,400	3,172,400	29,869,900
1917..	231,730,200	393,570,000	51,684,000	4,239,800	2,786,000	33,899,000
1918..	210,315,600	403,009,800	83,262,500	10,375,500	4,384,700	46,913,600

In other matters the farmer's attitude was one of some controversy. He did not subscribe largely to war funds in individual amounts, but rural contributions to the Patriotic Fund—through County Council grants—were very considerable; in the West, he gave freely to local collections as, for instance, a canvas north of Edmonton in June, 1918, which brought $10,295 to a Y.M.C.A. fund or twice the allotment; rural Manitoba in a drive for the Red Cross

Fund on June 17, contributed $102,801. Ready money was not, of course, a common thing with farmers, though as a rule their Savings bank accounts showed a good balance; it was in this that their Victory Loan responses might have been greater. In 1918 a strong and special appeal was made to them for support. H. W. Wood of the Council of Agriculture, urged the farmers to give of their best for this patriotic investment and J. B. Musselman of the Saskatchewan Grain Growers, did the same; Mr. Crerar, Minister of Agriculture, on Nov. 13 issued an appeal for support from farmers who had "carried their fair share of the untold suffering, sacrifice and sorrow of the past four years."

No such appeal came from the United Farmers of Ontario and J. J. Morrison, Secretary, told the Toronto *Telegram* on Nov. 14 that: "The farmers object to subscribing to the Victory Loan because it is free from taxation. The objection is a matter of principle and we can take no other stand." Some other incidents may be mentioned. At Winnipeg on Nov. 1st, a farmer from Ste. Eustache, named Laffléche, walked into a Committee room and paid for $100,000 worth of Victory bonds; at Toronto on Nov. 12th, within four days of the end Ontario farmers had subscribed $38.26 *per capita*, and 20 cities $110.87 *per capita*; the Toronto *News* on the 14th stated that "from all parts of the Dominion reports are coming in to headquarters to the effect that the rural sections are not proportionately keeping pace with the urban ones in their subscriptions." A reply from the Ottawa *Journal Press* of Oct. 5th declared that the farmers had not done their share in this and other calls because they had not been approached properly or appealed to with such organized force as the city people.

The Canada Food Board and Problems of 1918. The functions of this important body began early in the year. The Hon. W. J. Hanna, K.C., who since June 21, 1917, had acted as Food Controller and faced and overcome the very severe initial difficulties of the position, resigned on Jan. 24, 1918 and on Feb. 11, a change in designation and form of authority was made. The Canada Food Board was created, vested with all the powers of the Food Controller, and directed to report to the Government through the Minister of Agriculture. Its *personnel* was as follows: Chairman of the Board and Director of Food Conservation, Henry B. Thomson of Victoria, B.C.; Director of Food Production, Hon. C. A. Dunning, M.L.A., Regina; Director of Agricultural Labour, J. D. McGregor, Brandon; Secretary, S. E. Todd. All relevant Orders-in-Council were given continued force and effect and the Board was given power:

(1) To ascertain the food requirements of Canada and to facilitate the export of the surplus to Great Britain and her Allies.

(2) To make regulations in the public interest governing the price of articles of food, storage, distribution, sale and delivery; to provide for conservation of food and prevention of waste; to govern the manufacture, preparation, etc., of foods.

(3) To generally direct the production, conservation and distribution of foodstuffs in the interests of Canada and the other British Dominions, as well as the Allied nations.

(4) To co-operate with the Provincial Governments in co-ordinating the activities of all local bodies for the aforesaid purposes.

(5) To enter into agreements for the cultivation of idle land and to mobilize and utilize on a voluntary basis the farm labour resources of Canada.

It was afterwards explained that, as a matter of deliberate policy, the middle way in food control was almost invariably followed. Rationing, under Canadian conditions was deemed inadvisable, because the Dominion's vast area, sparse population and diversified conditions would have made it ineffective; while the results of the effort and energy expended would have been infinitesimal in comparison with the results to be secured by similar forces directed toward the increased production of foodstuffs and voluntary saving. Moreover, Canadians, would have had to pay 10 to 12 million dollars annually to meet the cost of an equitable rationing system as carried out in Europe. Compulsory measures, however, were adopted in order to regulate the distribution of commodities in their bulk state though, as food products found their way from stage to stage, control gradually and necessarily lessened, and was replaced by measures to secure widely-spread voluntary conservation by consumers. The method which interfered least with personal freedom was the restriction of sale of food by dealers. It left the patriotic consumer free from needless disturbance of family life, while the less patriotic were controlled by an informed public opinion supported by anti-hoarding orders and other regulations. The British system of food conservation had become almost entirely mandatory, the American was chiefly voluntary.

The joining of the mandatory with the voluntary method constituted the distinctive character of Food control in Canada. A highly-organized staff was taken over and improved as time passed. F. H. Keefer, K.C., M.P., was General Counsel, and there was a Chief of Staff with the usual Accounting and office sections and 17 other sections or divisions dealing with Bakers, Canners, Confectioners, Gardens and Vacant lots, Fish, Fruits and Vegetables, Imports, and Exports, Millers, Produce and Packers, Public eating-houses, Sugar, etc. The efforts of the Board were primarily bent upon the production and conservation of four essential classes of foodstuffs—wheat, meats, fats, sugar. Methods included an order to Millers to extend the milling "extraction" or in other words, use a larger part of the wheat berry for making breadstuffs and thus cause the saving of millions of bushels for export; an effort under great difficulties to encourage the use of non-wheaten flours in Canada—where the people were unaccustomed to them and the stocks in hand of barley, oats, rye and buckwheat were small, widely distributed and hard to obtain; the prohibition of export of feed for animals and facilitation of the import of special feeds so as to develop the raising and increase of Live-stock; the co-operation of the Railway War Board in prompt transportation of beef and pork supplies to the sea-board; the accumulation of stocks of food called the "food reserve" for emergent shipping at Atlantic ports at the moment when ships might be available—a much misunderstood condition which helped to keep ships free for the transport of American troops at a critical period.

Other methods of control included special efforts in the increased shipment of butter, cheese, lard, bacon, beef, canned meats, ham, pork, canned milk and cream, as being the essential foods containing fats; an arrangement in September by which the whole butter output of Canadian creameries for six weeks was secured (6½ million pounds) and exported so as to add a one-ounce ration to the British supply—a policy which received the thanks of the British Minister of Food; an allotted quantity of sugar from the International Sugar Commission sitting at New York, was divided amongst the various sugar refineries by the Sugar Division of the Food Board; rigourous control of all manufacturers and public eating places was instituted, with a system of distribution to wholesalers and retailers which, on the whole, proved eminently successful—with as near an approach to the ration system as Canada experienced and despite inadequate allotments and shipping difficulties; the special power given to the Board by Order-in-Council of Mch. 12, enabled it to sell or dispose of any food which had been stored or kept and was deemed likely to become unfit for human consumption, and this power was used upon occasion; prices were controlled, or modified, or regulated in respect to milk, flour, bread, sugar, while dealers' profits were regulated in a series of Orders; under the licensing system prices in general were steadied and distribution equalized while exports and imports were controlled by a system of permits—

the total number of licenses issued to Dec. 31, 1918 being 78,016 and of permits 26,888. The idea underlying this system was officially explained as follows:

> To make regulations easier through securing the direction of supplies from the producer down to the consumer's table; to carry out orders for the prevention of excessive profits; to prevent re-duplicating transactions and thus securing a more even flow of distribution; to keep the dealers in food on good behaviour under penalties of forfeiture of license; and to protect the small dealers in carrying out orders from being unfairly handicapped by large and more favourably-placed competitors.

Licensing presented a delicate piece of social machinery. Not the least important part was the unexpectedly prompt way in which those involved responded to a guiding hand. Under a direction centralized at Ottawa,orders restricting the sale and use of foods from coast to coast could be made effective within a few hours. On the whole, there was little opposition to the license in principle; the only suggestions made were for its improvement in practice, and these were, when found suitable, adopted by the Board. Many orders (70 in all) were issued by the Board with a special Section which looked after enforcement, controlled a staff of inspectors, prosecuted infringements, looked after public-eating places, cold storage, wholesale and retail businesses, railway warehouses and other places where food was dealt with in bulk; carloads of foodstuffs were watched and if held longer than four days, were seized and sold in order to prevent waste by deterioration and 1,500 Car-loads were dealt with in this way; voluntary aid was solicited and given freely to a total number of 45,000 workers in localities all through Canada while campaigns for greater farm production, for conservation of food, for economy in consumption, were carried out or backed up by the Board—public opinion being influenced largely through the clergy and the press, with, in particular, the enrollment of 8,000 commercial travellers who did special and valuable publicity work.

The Dominion and Provincial Departments of Agriculture and the food Board worked together in the urging of increased production. The Food Board official report stated that: "During the Fall of 1917 attention was directed to the necessity for a still greater increase in farm production. Plans were completed for increased breeding of hogs. Not only were farmers encouraged to add to their pens, but the services of the boys of the country were enlisted in the formation of pig-clubs. Everything was done to facilitate the winter-feed problem. In March a campaign was conducted to increase the number of trees tapped for maple syrup to supplement the sugar supply. In April back-yard and vacant lot gardening schemes throughout the Dominion were encouraged, and it was estimated that the production of vegetables through this source alone was at least doubled. The movement extended to every farm and into every village and hamlet. Throughout the sowing season public opinon was directed towards encouraging the farmer to increase the acreage of tilled crops." This work in the West was under the direction of J. D. McGregor and the Hon. C. A. Dunning; in the Eastern Provinces it was organized chiefly by Dr. Jas. W. Robertson. To aid in the movement 1,123 farm tractors were distributed amongst the farmers, at cost; by the "Soldiers of the Soil" movement 22,385 boys were enrolled throughout Canada and 20,431 placed on farms; the Anti-Loafing law, also, was utilized to obtain labour for farms and was fruitful of result.

The Fish Section of the Board, formed in June, 1917, under G. Frank Beer, Toronto, as Chairman, stimulated consumption of this food, increased supplies, checked profiteering and facilitated transport to inland markets; prices were fixed, license regulations imposed and fish greatly popularized as a diet. The total cost of the entire work of the Food Board—including $131,143 expended by the Food Controller—was $623,111. The net result together with the basic response of the farmer was seen in the fiscal year increases of food-stuffs exported: 1914-15, $187,011,300; 1915-16, $332,455,900; 1916-17, $482,619,400; 1917-18 $710,619,400. Meantime all manner

of operations and work had been under way. There was much to be done before the millions of people in Canada untrained in war, unaccustomed to self-denial for public purposes, unused to control of individual action or wishes, would fully respond to the vital needs of Britian; education was imperative and it was given in countless publications, leaflets, press articles, pamphlets, Food Board appeals, campaigns of publicity and explanation. Higher prices were, in particular, resented and it is a question if the public ever accepted the view that the Government was not partly responsible for this in refusing to fix prices. Yet the explanation issued by Mr. Hanna on Jan. 24, 1918, in his Report of policy while Food Controller, was unanswerable:

> Food control in France has not effected what has been expected of it. All of the maximum price laws and decrees which are intended to suppress illicit speculation and to prevent inflated profits have been subject to much discussion. Some of them have even been revoked; and some of the maximum prices have been abolished, as, for example, those for potatoes, milk, butter, and cheese of all kinds. The outcome of the whole French debate is an agreement with the conclusion reached in other countries, namely, that maximum price measures can be enforced with success only in the case of commodities the supply of which is under the control of the Government. Where the supply is not thus controlled, maximum price measures afford little relief. If not considered high enough by the producers, they tend to force the commodities covered by them out of the open market.

If, he might have added, the prices were high enough to please the producer, they would not satisfy the consumer! As already pointed out, Canada and the United States took up the policy of restricting profits and licensing distribution; to meet a world shortage in meats, grains, sugars and other foodstuffs it was apparently the best system available. The situation at the beginning of 1918 was vital with 43,000,000 bushels of wheat available for Great Britain to meet requirements of 213,000,000 bushels; the call to Canada and the United States followed and the response of the Canada Food Board and farmer has been indicated. In detail the Board first put bakers and restaurants under license and controlled their profits; then took control of flour mills and regulated their profits; probed into and reported waste of wheat in stock-yards and regulated the manufacture of bread; put all dealers in foodstuffs, produce, groceries, meat, fish, fruit and vegetables under license and regulation; curtailed the supplies of sugar, and pressed the "Soldiers of the Soil" movement; appointed (in March) Hon. C. A. Dunning to conduct a Production campaign in the West, J. D. McGregor to direct the securing of extra help for the farms and Dr. J. W. Robertson to co-ordinate the organization for greater production in the five Eastern Provinces. In co-operation with the Board the Government granted $280,000 to the Provinces to facilitate production and of this Ontario and Quebec received $60,000 each; Nova Scotia, $30,000 and New Brunswick, $25,000; P. E. Island, $5,000; Manitoba, $25,000; British Columbia, $15,000; Saskatchewan, $35,000; Alberta, $25,000. Sir Robert Borden announced this on Mch. 20, and told the Commons as to the special work to be done in each Province.

On Mch. 26 the Food Board stated that the "Soldiers of the Soil" movement had secured 20,000 boys in Ontario and the four Western Provinces; the press of these months teemed with page advertisements urging production and conservation of food; pledge cards of self-denial and economy in food were issued and signed by tens of thousands of people; food restrictions were imposed on all kinds of eating-houses, railway dining cars, hotels, etc., with especially drastic cuts in the manufacture of candies, ice-cream and other confections; private homes were asked for voluntary obedience to these and other restrictive regulations and everyone was urged to eat as little white bread and sugar as possible; rules were issued as to the best means of avoiding waste and heavy penalties were imposed for carelessness in this respect; in April Senator Everett Colby of New York, and Edward F. Trefz, representing the

U. S. Food Board, spoke at many points—the former in the East, the latter in the West,—and described, incidentally, the heroic effort of the French people in reducing food consumption from 28 to 11 million tons a month.

Hoarding of food was prohibited and excess holdings of white flour were seized all over Canada and shipped overseas. Large stocks were permitted to be held in cold storage for a reasonable period for purposes of shipment and in waiting for ships but not for purposes of local sale at enhanced values —the total of butter, cheese, meats, fish and fowl being 108 million pounds on Feb. 1st; 96 million pounds on Apr. 1st; 85 million on May 1st; 90 million on June 1st; 96 million on July 1st; 130 million on Nov. 1st. W. F. O'Connor, Cost of Living Commissioner, did not, however, like these large storages and in his statement for Feb. 1st, declared that cheese prices for export were dominating the price for home consumption and that, for instance, 1,480,000 eggs were too many to hold at a time of apparent scarcity. The Indians of the West were induced to go in for greater production and did good work, with 70,000 acres of new land under plow in the West; substitutes were ordered for wheat in flour which saved 10,000,000 bushels in a few months. The result was an increase of exports overseas in the year ending Mch. 31, 1918, over the average of three years before the War, as follows:

	Pounds		Pounds
Pork	122,000,000	Cheese	30,000,000
Beef	74,000,000	Eggs (doz.)	15,000,000
Butter	12,000,000	Wheat and Flour (bush.)	85,000,000

It was estimated in August by the Board that 12 months of increased production and economy had increased wheat exports by 30 per cent., the saving of flour by 200,000 barrels a month, and of sugar by 100,000 tons annually. Meantime, there had been a great disappointment as to wheat production in the 1918 harvest. With a largely increased acreage and great effort by the farmer climatic conditions resulted in a crop far below the anticipated total of 450,000,000 bushels; H. B. Thomson, Chairman of the Food Board, who had addressed many meetings in past months told a Toronto audience on Sept. 1st that the use of substitutes would have to go on for a time. Further restrictions followed on the use of sugar, in which the shortage continued, and on Sept. 15 it was announced that the Allies had purchased the whole of the Cuban sugar crop; everywhere throughout Canada gardening had become a popular and patriotic occupation with—as an illustration—$750,000 worth of vegetables raised in Winnipeg during the 1918 season. With the coming of the Armistice restrictions were gradually lessened though, as a matter of fact, the demand for food was still persistent and serious—the Inter-Allied War Council asking from America for 1919 a total of 17,550,000 tons of food, or an increase of 50 per cent. upon the great needs of 1918.

In this connection it may be noted that the British Food Council, which was so closely associated with the Food Board of Canada, was composed, in 1918, of Rt. Hon. J. R. Clynes, M.P., Food Controller, Major the Hon. Waldorf Astor, M.P., Deputy Chairman, Sir John Anderson, K.B.E., Vice-Chairman, Sir John F. Beale, K.B.E., British representative on the Inter-Allied Committee, and some others. Incidents of the year included the vigourous efforts of J. D. McGregor in the West to obtain increased production; his success in promoting co-ordination between the Department of Agriculture and the Food Board; in effecting increased consumption of fish and in promoting increased supplies of live-stock feed—with his regretted retirement early in September; the taking over in September of most of British Columbia's salmon pack for the British authorities; the removal in the middle of December of a large number of restrictions upon food supplies and manufacture and sales with the issuance of a letter from H. B. Thomson, Chairman of the Board, advising Provincial branches that the work was being wound up and thanking them for their great part in meeting the War needs of the past year.

Transportation in 1918; The Government and Railway Nationalization.

During this war period there was a revolution in public sentiment as to questions of railway control and ownership; an upheaval also in Railway conditions, in financial support, in rate requirements. Government methods and policy were also changed. The functions of the Board of Railway Commissioners were widened by the Government and its power of taking traffic, in a congested grain area, from the line to which it was tributary and handing it over to other lines wherever a transfer could or should be made, was largely used in 1917-18. This enabled the large grain production of the West to be marketted practically without loss, through the diversion of traffic to the least congested routes, while it ensured the transportation of grain and flour to Great Britain and the Continent at the greatest possible speed. Though at first confined to wheat, this practice was extended to coal and then to the movement of other commodities.

The Canadian Railway War Board was organized in 1918 and the Government aided its operations by the purchase of 260 locomotive engines of various types together with over 17,000 freight cars; and a number of these were leased to different lines to meet requirements and emergencies in the delivery of orders, etc. Most of the arrangements were made in this year and 100,000 tons of rails were also contracted for by the Minister of Railways—Hon. J. D. Reid. At the close of the year he placed orders for 200,000 additional tons of rails and for 100 Colonist cars. He also proceeded at this time with the construction of the Welland Ship Canal—which had been shut down during the War—and with the final work on the Trent Canal. In his annual Report for Mch. 31, 1918, Dr. Reid stated the year's expenditure of his Department as $70,113,667 on Railways, $3,327,556 on Canals and $1,198,062 for sundry purposes; of the Railway total $24,392,985 was capital expenditure on the Government Railways' rolling stock, $5,860,132 for the Intercolonial, $1,371,334 for the Quebec and Saguenay purchase; the revenue of the year was $27,695,825. The chief statistics of Canadian railways and canals in the four years affected by the War were as follows:

Railway	1915	1916	1917	1918
Total Mileage	35,578	37,434	38,604	38,879
Capitalization	$1,875,810,888	$1,893,977,819	$1,985,119,991	$1,999,880,494
Tons of Freight carried	87,204,838	109,659,088	121,916,272	127,543,687
No. of Passengers	46,322,035	49,027,671	53,749,680	50,737,294
Gross Earnings	$199,843,072	$263,527,157	$310,771,479	$330,220,150
Operating Expenses	147,731,099	180,542,259	222,890,687	273,955,436
Net Earnings	52,111,972	81,346,394	87,880,842	56,264,714

Canals	1915	1916	1917	1918
Gross Tonnage of Traffic	$15,198,803	$23,583,491	$22,238,935	$18,883,619
Canadian Tonnage of Vessels	9,398,207	9,839,029	9,831,029	7,800,972
U. S. Tonnage of Vessels	7,385,101	10,660,839	10,259,772	9,616,200
Canadian Wheat through Sault Canadian Canal	48,727,911	82,807,342	60,551,243	19,987,255
Canadian Wheat through Sault American Canal	121,389,950	185,003,667	158,574,262	62,299,271
Government Expenditure	$5,490,796.03	$6,142,148.96	$4,304,589.09	$1,781,957.07

The War conditions affecting Canadian railways were pronounced yet their success was great and their services to the country and the Empire in these years were very marked. Unlike the United States the transportation interests of Canada were not at any time congested to the point of blockade; nor were national industries and war interests held up as a result. Yet the Railways handled a million more tons of Overseas freight in the first 10 months of 1918 than in 1917; they carried as many cords of pulpwood in five months of 1918 as the whole railway system of the United States carried in 1917; in September, October and November, 1917, they moved 18,000,000 bushels of grain out of the Georgian Bay ports and in the same months of 1918, 45,000,000 bushels which the American ports were too congested to handle; between April and November, 1918, they carried 1,000,000 more tons of coal than in those months of 1917; they had to face, through the war years up to 1918, a shortage of between 17,000 and 20,000 cars which were held by American roads. The story of these Canadian trans-Continental systems of railway, working as one, in the transportation of war munitions, supplies and products of all kinds, and overcoming varied and serious difficulties under the War control of a single Board, was one of the interesting incidents of the World War which the public knew little of. Those difficulties were well described by E. W. Beatty, K.C., in a special article in the Toronto *Globe*:*

> Canada was in the War from the beginning; lost her railroad workers by hundreds and thousands; and was the first big country outside of Russia to have to handle large bodies of troops over great distances. The demand for ships threw upon the Canadian railways a large percentage of the tonnage of coal, wheat and general merchandise which had formerly been carried on the Great Lakes and the St. Lawrence. The growth of the munitions' industry created complex variations in the character, volume and direction of traffic. Overseas exports rose from approximately one million tons, in 1915, per annum, to over five million tons in 1918. Exports to the United States were swelled by the greater demand for Canadian raw materials caused by the growth of the munitions industry in that country and by the cutting off of overseas supplies.

The co-ordination of railway work throughout all Canada, the obtaining of necessary rolling stock and railway supplies at times when every industry was congested with orders, the co-operative action of the railway chiefs and systems, was largely due to the careful administration of the Dominion Railway Commission and the special efforts of the Canadian Railway War Board. The latter organization grew out of the Canadian Railway Association for National Defence formed on Oct. 23rd, 1917; its powers as an Executive grew large and were applied closely and continuously; its membership was composed of Lord Shaughnessy, (Chairman), Howard G. Kelley, President G.T.R., D. B. Hanna, President of Canadian Government Railways, E. W. Beatty, President of the C.P.R., A. H. Smith, ex-President of N. Y. Central, and representing United States railways in Canada, with W. M. Neal as General

*Note.—Jan. 2nd, 1919.

Secretary. Under this Executive or Board was an Administrative Committee with separate Sub-Committees for both Eastern and Western Canada in Car Service, Passenger Transportation, Tariffs, and Statistics.

The great problems of the year were fuel and car shortage, the carriage of grain and transport of troops. To cope with the situation the Board adapted women to many forms of work in place of men who had joined the Army, shifted and often reversed the tides of traffic to meet emergencies, reduced the Passenger traffic, in 1917 alone, by 12,000,000 train-miles a year and thus saved 600,000 tons of coal, compelled a steady reduction in the Canadian car holdings of American Lines which, by the close of 1918, effected an almost normal interchange. Other lines of improvement worked out by the Board were an increased movement of freight, enhanced car efficiency, freedom from serious congestion at difficult periods, increase in United States coal deliveries to Canadian points, improved handling of Western grain and flour. Early in 1918 the Board deemed it necessary to take up about 2,000 miles of metal on non-essential lines to aid the essential traffic routes but the Government compromised by ordering 100,000 tons of new rails; a little later it cancelled special mail trains from Vancouver to the Atlantic in the interest of fuel economy; it was able at this time, and throughout the year, to very largely meet special or local shortages on any of the systems in potato cars, apple cars, coal cars, and engines and trackage, or terminal facilities, through its co-ordination of control. The following facts, stated on Mch. 4th, illustrate this work of the Board:

> 100 cars of freight per day are being diverted from the C.P.R. at Quebec and are travelling by way of the Transcontinental to Halifax. In Toronto an arrangement was successfully carried out whereby 120 cars of freight eastbound for Montreal were turned over from the C.P.R. to the C.N.R. every day. The Grand Trunk during the winter season has been diverting 150 to 200 cars of coal per day to the C.P.R. and T. H. & B., in order to lessen the congestion on the Grand Trunk from the Niagara frontier to Toronto and other points. The Grand Trunk has also diverted 50 cars per day to the C.N.R. at Toronto.

Back of all this effort was the co-operation and authority of the Minister of Railways who was frequently able to fill the essential requirements of the roads, for their work, in a way which no private corporation at this time could have hoped to manage; and Government orders for rolling stock, equipment, and materials in this connection totalled $34,000,000 up to April. Coaches and freight cars and locomotives thus backed up the efforts of the Board and enabled the three great railways of Canada to deliver food-stuffs and munitions at the wharves faster than they were required and to look after domestic traffic reasonably well in addition. As Mr. Neal stated on Mch. 12th, 1918: "Under the direction of overseas experts, not one ship since the War began, has earned demurrage through awaiting cargo from a Canadian Railway company." On Mch. 12th the Prime Minister called a Conference of transportation men, the Railway

War Board, Harbour Commissioners and Shipping interests to discuss existing conditions; it was decided to extend co-ordination of work to the Overseas traffic with ships, improved terminal facilities, and still better railway facilities, as the chief elements, and greater co-operation between ships and railways, as the essential factor. A meeting of the Board and other members of the Railway Defence Association was held in Toronto on June 11th, to deal, still further, with duplications of service and indirect routing, amendments to customs regulations, facilitating movement of freight cars and the pre-payment of freight charges arising from the diversion of traffic from one line to another. It was announced that 30,000 more cars than in 1917 would be available for the heavy autumn traffic. At this stage Mr. Neal took exception to some unfavourable comparison made between Canadian and United States railway management and did so in vigourous terms:

> What Canadians should know and remember is this: That no foreign railway service operating over long distances like Canada's, can for one instant compare its record with Canada's railway record. Unaccustomed to handling vast trans-continental movements, all on one railway system, foreign roads in many cases choked their ports, throttled the main arteries of traffic and practically paralyzed their industrial community. Canada, with two ports instead of a dozen, with single tracks, with hard winters, with labour shortage and scarcity of cars and engines, carried a heavier share of traffic and had no breakdown of more than local and short effect. This has been due to the layout of the Canadian Railways and their experience in trans-continental operations; to Sir Arthur Harris' expert handling of Overseas export traffic in co-operation with the Admiralty, and last, but not the least, to the Canadian Railway War Board, which has practically unified the Canadian railways into one great system for national service, irrespective of which road obtained the most of the business.

Meanwhile, members of the War Board or its Association had to deal with the omniscient Labour problem. On Apr. 30th they held conference at Montreal with delegates of the Canadian division of the Federation of Railway Shop Mechanics, representing 50,000 men who were stated to have carried by a referendum vote demands for adjustment and increase of the minimum wage and establishment of a standard minimum for all Canada, a nine-hour day, and the change of time in agreement from one year to thirty days' notice by either side. The Companies declared it impossible to meet such demands which, they said, involved many millions and the negotiations dragged on until July, when it seemed that a strike was inevitable. The Government then took a hand and on July 4th a conference was held between Ministers, the War Board representatives and the Railway Shop men, with the attitude of the "Big Four"—engineers, trainmen, conductors and brakesmen—uncertain, on July 16th, when the strike was to be begun. The Railway Board had, meantime, offered adjustment on the basis of the McAdoo award in the United States and stated that they could not go beyond that; the offer was not satisfactory to the men though, as an international Union, they were only 10 per cent. of a membership which, in the United States, had accepted the McAdoo rates. The

strike did not come off, however, and on the 16th the Railway War Board issued the following Order:

That not later than the 1st of August, 1918, and so much earlier as the various wage schedules have expired, dating back in many instances to the 1st of May, 1918, the so-called McAdoo Award, affecting the wages and hours of service of railway employees in the United States, shall be put in force in Canada. This decision has been reached after prolonged consideration, and will apply to all railway employees, whether organized or not organized, male or female, earning, on Dec. 31st, 1915 less than $3,000 per annum. The increase in each and every case applies to the position. This means that a sum of between 40 and 50 millions of dollars per annum will be shared as increases by the 140,000 railway employees in Canada. To the rates paid Dec. 31st, 1915, will be added increases as high as 43 per cent. in the case of the lower-paid grades of labour. This action is only possible, and the increased wages can only be maintained, if the Railways are permitted to increase freight rates, as in American territory. In order to prevent industrial unrest and in the hope of an increase in freight rates, the present increase to railway workers is made.

A little later the Board held a conference with 100 railway labour representatives at Montreal on July 26th; the meeting was presided over by Senator Robertson, Acting Minister of Labour, and it was decided that a Railway Labour Board similar to that of the United States should be constituted to administer the new conditions and handle future railway disputes. By a following Order-in-Council, and the authority of the Dominion Railway Commission, the increase of rates specified in the War Board's McAdoo decision was authorized to come into effect on Aug. 1st and was based upon estimated increased railway costs or wages of $50,616,226 and a possible further increase of $19,930,000—if additional claims were accepted. An agreement was then negotiated between the War Board and the six Railway brotherhoods for the creation of an associated body, called the Canadian Railway Board of Adjustment, for the term of the War; to this should be referred for settlement all railway labour disputes that might arise during that period and that could not be promptly adjusted between the officers and employees of the Railway concerned. It was also provided that the Board of Adjustment should render decisions on all matters of controversy arising out of interpretations of the McAdoo Award, and other future wage agreements that might be made. For the Railway Companies the following were appointed to the Board; U. E. Gillen, A. D. MacTier, F. B. Brady, S. J. Hungerford, George Hodge, A. J. Hills. For the Brotherhoods the selections were: A. Kennedy, G. W. Wark, S. N. Berry, James Murdock, J. M. Mein, and W. V. Trumbull. During ensuing months several important cases were adjusted and the Board fully proved its usefulness. For a time, too, the Railway Shopmen threatened further trouble with demands for larger wages, shorter hours and a reduced time rate; eventually, on Sept. 3rd, an agreement was reached on the basis of the McAdoo Award and its amendments in the United States and including an 8-hour day, with shifts which worked out as 47 hours

per week, compared to 55 hours hitherto and to 48 hours in the United States.

Following the Armistice it was announced that the War Board would continue for demobilization purposes and a statement was issued showing the general situation to be satisfactory. It was pointed out that the scarcity of locomotives had been greatly modified; the supply of freight cars increased by 14,000 new cars, bought by the Government, with better loading, quicker handling and more rapid unloading methods, obtained through the War Board's efforts. The labour situation was said to be satisfactory except that the roads were still under-staffed, with over 14,000 railway employees laid off by Influenza who were now returning to work. The War-time state of rails and road-bed was not altogether satisfactory. As to the future, arrangements had been made by which the Michigan Central, T. H. & B., C.P.R. and G.T.R. should haul traffic direct into Toronto: "Plans are being perfected for further unification of terminal and other facilities. We have reason to believe that except for possible contingencies, the Railway systems of Canada are in more nearly perfect condition to face Peace conditions and the reconstruction period than any in the world." On Nov. 26th the War Board appointed an Ontario Operating Committee of six Railway men to supervise the movements of traffic in that Province —C. G. Bowker, H. T. Malcolmson, J. Balkwell, W. R. Davidson, G. Crombie and Allan Purvis.

Meantime, the Railway Commission under direction of Sir Henry Drayton—with D'Arcy Scott, Hon. W. B. Nantel, S. J. McLean, A. S. Goodeve and A. C. Boyce as members—had an arduous year of administrative work. There were many and varied decisions. On Mch. 25th the Milling interests of Montreal were upheld in the disallowance of certain additional charges proposed by the Railways for grain milled at Montreal and re-shipped on Government railways for export. Another Order became effective on July 1st which interpreted and extended the inter-switching regulations and made it cover team-track deliveries as well as industrial and private sidings. In a report issued on Aug. 5th, Sir Henry Drayton recommended that the complaint of the Toronto Board of Trade against a recent Order-in-Council raising freight rates, be dismissed. It applied chiefly to the matter of sugar. At the close of the year Dr. S. J. McLean, on the expiration of his 10-year term, was re-appointed a Commissioner; Dr. J. G. Rutherford, C.M.G., of Calgary, was appointed in place of D'Arcy Scott who had retired and he became Assistant Chief Commissioner. The Report of the Commission for Mch. 31, 1918, showed 59 public sittings with 391 applications heard and a total of 3,611 applications and complaints dealt with. There was, also, an Operating department looking after inspection of locomotive boilers, safety appliances, investigations into accidents, etc., and a Fire Inspection department in co-operation with various Dominion and Provincial protective organizations.

Government policy during this period covered wide and important railway issues. The Minister of Railways stood behind the

policy of the War Board; he had to deal with the vital question of Railway rates and, indirectly, of wages; he faced a whole group of problems in connection with the finances of the Transcontinental railway lines and the necessity of taking over two of them. In March legislation was presented to Parliament of a temporary nature, granting another Loan of $7,500,000 to the Grand Trunk Pacific, of which $3,500,000 was a re-vote, to provide for the Company's interest payments and a further Loan of $25,000,000 to the C.N.R., for the same purpose—the latter road being, however, by this time, a Government-owned line.

Early in April, Parliament gave the Minister power, through Order-in-Council, to purchase railway rolling stock, equipment and materials to an amount not exceeding $50,000,000. During a discussion on Apr. 9th, it was stated that C.N.R. obligations of $78,000,000 would fall due in the course of the year and would be met by the Government. On May 15th, in an important speech elsewhere referred to,* Sir Robert Borden outlined Canada's railway policy and stated that negotiations were under way for taking over the Grand Trunk system as well as the Grand Trunk Pacific; that at some future date, all the railways of Canada, including the Canadian Pacific, might be carried on under one management so far as operation was concerned; that the Government was working on plans for placing all the National Railways of Canada, under unified control and to be run as one large corporation; that the C.N.R. would be managed as a corporation, under a Board of Directors to be appointed by the Government, and that all politics, patronage and political interference would be eliminated; that the total liabilities taken over by the Government in connection with the Canadian Northern were $438,264,377, and the Assets $528,437,885, with a capitalization of, approximately, $43,000 per mile for 10,000 miles of railway in actual operation; that the Grand Trunk Pacific was capitalized at practically $100,000 per mile, and the National Transcontinental at, approximately, $110,000 per mile.

A large part of this policy was worked out during the year but negotiations with the Grand Trunk were not concluded and the C.P.R. ideal did not promise realization—though, as to the latter, the Prime Minister had been optimistic in the speech just referred to when he said: "It may be possible, indeed, it is probable, that at some later date, but not in the immediate future, all the land transportation facilities of Canada in the shape of railways may, so far as operation at least is concerned, be amalgamated into one system carried on under one management." In the House, on May 17th, the Hon. J. D. Reid reported a deficit on Government Railways of $5,294,280 for the fiscal year. On June 3rd the Minister formally opened at Peterborough the Trent Valley Canal, running from Lake Simcoe to the Bay of Quinte on Lake Ontario, which had so long been under construction. In his speech Dr. Reid said: "I want the people of Canada to know that the Trent Canal is a great waterway;

*Note.—See Section reviewing the Prime Minister's Policy and speeches.

a money-making waterway, and that we have nothing to regret in connection with the expenditure made upon it." He promised to urge the speedy completion of the northern end of the Canal to Georgian Bay, as soon as conditions would permit. It had cost the country $16,000,000 so far but there was 75,000 horse-power waiting development and there would be great opportunities of production for the northern mineral section of the Province. Dr. Reid visited the West and the Pacific Coast in October and inspected conditions on the C.N.R.

Meanwhile, the question of freight rates was conspicuous in both railway finances and public discussions. Dr. Reid stated to the Toronto *News* on Jan. 18 that: "The press in parts of Canada are complaining about increased freight rates as proposed and urging Government control. If the people understood that the cost of operation, owing to increased cost of labour and fuel, is enormous, they would see that unless something is done the Railways cannot live." The special reference was to the freight and passenger rate increases authorized by the Railway Commission on Dec. 26, 1917, which were to go into effect on Feb. 1st, which averaged 15 per cent. and had been protested against by the Western Grain Growers, Western Governments and many public bodies; this and other problems were under consideration by a Sub-Committee of the Cabinet, which included Messrs. Reid, White, Meighen, Calder, Carvell and Robertson; further Resolutions against the proposed increase came to the Government from the Western Live-stock shippers, the Canadian Council of Agriculture, the Winnipeg Board of Trade, the Ontario Hydro-Electric Railway Association, the United Farmers of Ontario, the Western Retail Lumbermen, the Canadian Credit Men's Trust Association.

On Jan. 24 a Western delegation led by Hon. T. C. Norris, Premier of Manitoba, Hon. W. R. Motherwell of Saskatchewan, and Hon. C. R. Mitchell of Alberta, met the Dominion Government and, through their Counsel, H. J. Symington, K.C., declared that this increase of 15 per cent. in the freight rates, would mean an additional burden of 47 million dollars upon the shoulders of the people of Canada; that of this amount, the East would pay $25,740,000, and the West $21,420,000, with a *per capita* Western burden of $10.71 against $4.29 for the East. E. W. Beatty, K.C., of the C.P.R., contested Mr. Symington's arguments and the Prime Minister adjourned the Hearing to Mch. 1st. The Railways each fyled their claims for higher rates, and the C.P.R., in particular, protested against the allegation that it would receive $20,000,000 of the proposed increase; the estimated increase of revenue due to rates was placed at $13,000,000. Strong exception was taken to the Government ownership proposals of Western bodies:

> The petitioners assume that under Government administration or control, more efficiency could be developed and more service received from the property of the C.P.R. than under its present administration. With proper deference to the views of the adherents of Government ownership and operation, it is contended that neither theory nor experience justifies such an expectation. The

suggestion made would not bring about co-ordination, co-operation and efficiency, but would be a temporary seizure by the Government of the property and assets of the shareholders of the C.P.R. in order that money belonging to them might be devoted to the maintenance and financial assistance of the unproductive Railways to which the country has fallen heir.

At the resumption of the Rate hearing on Mch. 1st, F. H. Phippen, K.C., urged the investors' viewpoint: "Railway development must have to parallel agricultural and business advancements. It is impossible to have such development without the aid of the investing public and that public is losing confidence in railway securities as investments." E. W. Beatty, W. C. Chisholm, J. E. Dalrymple spoke for the railways as did representatives of the Grain Growers for the opposition interests; the Canadian Council of Agriculture on Mch. 12th sent a long Resolution reviewing its contentions against the increase. It declared (1) that the proposed increase did not solve existing problems or provide the C.N.R. with sufficient revenue; (2) that the C.P.R. record showed existing rates to be sufficient for a well-managed line and so, also, for the C.N.R. and G.T.P. if they had enough capital for operation; (3) that the grades, allignments and fertility of the country feeding the last two Lines gave them an actual advantage over the C.P.R. under equal financial conditions; (4) that the 13 or 20 millions to be added to C.P.R. revenues were indefensible and that the increase in freight rates would fall chiefly on the agricultural industry; (5) that the only real solution of the problems involved was Nationalization.

On Mch. 15th the Order went into effect with two modifications: (1) That instead of being permanent it would terminate one year after the declaration of Peace and (2) that the C.P.R. should bear additional and special taxation upon the basis of one-half its net earnings from railway operation in excess of 7 per cent. on its Common stock up to $7,000,000 and an income tax on all earnings, except those from railway operation, but not to exceed the net earnings due to the increase in rates. On May 27th United States freight rates were raised 25 per cent. and passenger fares increased from 2½ to 3 cents a mile. In July the Railway Commission authorized a further increase and it was approved by Order-in-Council. The Government announcement on July 25 stated that the increase would average 20 per cent. and was necessary in order to meet the increased operating cost imposed by the McAdoo scale of wages and the recent decreased earnings of Canadian railways. This was the end of a process which began with 5 per cent. increase in 1916, 15 per cent. earlier in 1918 and a 20 per cent. new rate which gave a total of 40 per cent. in two years of War—which, of course, was finally added to the cost of living. It was obvious, too, that the total freight earnings of $215,000,000 for Canadian railways could not have stood even a proportion of the $53,000,000 increased wages without higher rates.

Many paths, during 1918, led to Nationalization of railways and the subject was widely discussed and favoured—10 years after

Sir Robert Borden had made the principle an issue in a general election and been beaten. Now, the War and economic conditions had forced several countries to adopt a policy which, previously, had been accepted in Germany, Austria-Hungary, Russia, Italy and Switzerland with proportions under Government ownership which ran from 73 to 99 per cent. Prior to the War Australia and New Zealand had owned nearly all their railways, Great Britain and United States none, Canada 5 per cent., India 80 per cent., South Africa, nearly all; at its close the change in Great Britain and the United States was one of control and not actual ownership. Meantime, Canadian Northern and Grand Trunk Pacific difficulties in borrowing money and the general increase in operating expenses had made the matter one of practical war necessity in Canada and the Government had taken over the former and was in control of the latter.

The arguments used for and against Government ownership were very numerous and often very contradictory. The press of Canada was largely favourable to Nationalization; some public men and most financial interests were inclined to hesitate over the tremendous national responsibilities involved in assuming Railways capitalized at $2,000,000,000. The Hon. F. B. Carvell, Minister of Public Works, was explicit on one phase of the subject at Montreal on Feb. 18: "I will take the liberty of saying that up to the present time no Government has ever succeeded in operating a railway in Canada. It may be that the present Government possesses more ability than its predecessors have possessed and we may be able to do what our predecessors have failed to do, but it is a fact that up to the present time Government operation of railways has been one of the most tragic failures this country has ever seen."

R. B. Bennett, ex-M.P., pointed to another difficulty at Calgary on Jan. 28: "I know of no method by which we can hope to pay either for the Canadian Pacific or the Grand Trunk Railway, if those systems are expropriated. Their book value is practically one billion dollars, and we are just incurring financial responsibility, direct and indirect, amounting to upwards of half a billion dollars with respect to the Canadian Northern system. Where could the money be raised?" On the other hand Sir R. Borden obviously favoured the policy, as did Hon. T. A. Crerar who added Telegraph and Express Companies to his Government ownership proposals while Dr. Reid, Minister of Railways, made the following remark at Calgary on Oct. 15: "We will not take over the Grand Trunk Pacific unless we take over the Grand Trunk Railway with it. Personally, I think it would be better for the West if the G.T.P. were linked up with the Canadian Northern. There are too many terminals and too much management, for which the people have to pay." The general arguments for and against Government ownership and operation of railways were well described during this year in an official statement by Sir William Wilson Hoy, General Manager of South African Railways, which may be summarized as follows:

Advantages of State Ownership.

(1) Administration by impartial authority with tariffs designed to harmonize with national policy.

(2) The State better able to finance railways with profits on State lines used for benefit of the country.

(3) State lines can be better located and more new country opened up.

(4) Closer co-operation with Government Departments assured and individual interests in private and competitive concerns avoided.

(5) Duplication, over-lapping and waste avoided.

(6) Pre-War success and non-political management of Railways in Germany and Hungary.

Disadvantages of State Ownership.

(1) Exercise of undue political influences on management with regard to staff conditions, tariffs and general facilities which would demoralize the entire railway service, impair discipline, prevent good relations between staff and management, destroy economical working and is in every way to be deplored.

(2) Labour, as in Australia, makes unreasonable demands, which the Government in Australia grants without consulting the Railway Commissioner, while traders and particular interests employ similar methods to secure unwarranted facilities.

(3) Deficits resulting despite increased rates as in Belgium, Switzerland, Austria, Italy and Canada before the War.

(4) Danger of the management being forced to provide facilities to particular sections and alteration of tariffs in favour of particular localities or interests.

(5) Tendency to over-centralization and rigid uniformity.

Sir William Hoy concluded that the problem was one to work out in accordance with geographical position and industrial, economic, political and social conditions. In Canada the Toronto *World* during 1918 was a consistent and persistent advocate of Nationalization and the electrification of railways. It denounced the Grand Trunk as bankrupt because it could not at this juncture meet the $30,000,000 a year which the construction of the G.T.P. under Government partnership, had laid upon it; private ownership in the United States was denounced as a miserable failure because War conditions had impelled temporary Government control of railways there; failure of the Grand Trunk to pay a dividend on common stock was described as sufficient reason for its expropriation and it was urged that the Government should force that Railway into liquidation so as to take it over more readily. The strongest detailed arguments were presented (Mch. 12) in a Resolution of the Canadian Council of Agriculture which included the C.P.R. and its wealth in the calculation and the following points may be summarized:

1. Nationalization will eliminate duplication of railway lines in the same territory, terminals in the same town or city, freight and passenger solicitors, switching charges, office staffs, highly-paid officials.

2. It will enable the Government to provide the lowest possible cost for the construction of railways in those districts where they are urgently needed.

3. By operating all the railways as one unit, the rolling stock can be made to give more effective service.

4. It would pool the revenues from all the railways of Canada and thus provide sufficient funds to operate sections not immediately profitable.

5. It would enable all freight to be handled over the most direct route, thus eliminating waste of time and energy.

6. It would reduce the cost of carrying freight through the non-productive territory north of the Great Lakes and the Rocky Mountains and thus bring Eastern and Western Canada nearer together.

7. It would remove from private control and place in the hands of the Government, the largest tax-collecting agency in the Dominion.

8. It would permit the establishment of equitable freight rates throughout the whole of Canada in many districts.

9. It would put an end to donations, subsidies, land grants, bond guarantees, and other concessions to private corporations.

It was added that any half-way measure of Nationalization would be more dangerous than the present system of private ownership since it would be "a direct encouragement to the private interests to seek to dominate the Government." Nationalization had the occasional support of the Toronto *Globe* which, on Jan. 14, declared that it stood for "public ownership as the more logical and courageous solution of the railway problem, a problem that demands solution not at some indefinite and convenient season, but now." The United Farmers of Alberta and all the Grain Growers' bodies favoured Nationalization, as did the Toronto *Star* in a not very vigourous way, the Calgary *Albertan* in slashing style, the Ottawa *Journal-Press* in clear, argumentative attitude, the Regina *Leader* and many other Western papers. The Eastern press, and that of Quebec in particular, were not enthusiastic on the subject. The chief organ in opposition to the policy was the Montreal *Gazette*, which on Jan. 30, put the situation as follows: "The railway problem in Canada is a business problem to be solved upon business principles and business lines. On the one side there are two systems whose existence cannot be prolonged without the helping hand of the Government, while, on the other, there are two systems able to operate without Government aid. In such circumstances the last proposal to be considered is the impairment of the strong roads to the very dubious advantage of the weak." With it, in vigourous utterance, were financial papers such as the *Journal of Commerce*, the *Financial Times* and the *Financial Post*; the Ottawa *Citizen* was not in favour of taking over the C.P.R., and the Winnipeg *Telegram* and Edmonton *Bulletin* were doubtful upon the general issue.

The Canadian Pacific Railway in 1918. This great business, national, and Imperial institution continued during the year to be a subject of discussion and nearly always in a complimentary form. The advocates of Railway nationalization criticized its management as being too successful; at the same time they acknowledged that it was the vital point in any really successful national system. The opponents of that policy pointed to it as a great instance of financial power and success under Private ownership and as a standing argument against Nationalization in Canada. Its place and work in the War were remarkable; the quality of its achievement and the quantity of its work were far greater than the public knew of. During the C. N. R. investigations of the year it was shown that the C.P.R. had tried to acquire control of the Canadian Northern and would have thus relieved the country of serious responsibilities, but, according to the evidence of Sir Donald Mann, on Mch. 4th, the Government had prevented the arrangement. The annual Report of the

C.P.R., dealing with 1918, was issued on Mch. 22, 1919,* and showed immense financial strength with assets of $1,038,000,000. It also indicated a large increase in expenses due to war conditions and which was out of proportion to the increase in receipts:

	1916	1917	1918
Receipts	$139,729,687	$152,389,334	$157,537,698
Expenses	89,253,188	105,843,316	123,035,310
Net Revenue	$50,476,499	$46,546,018	$34,502,388

At the 1918 annual meeting, of May 1st in that year, Lord Shaughnessy stated in an elaborate review of the Railway's general finances that every share of $100 Ordinary Stock in the hands of the public represented the payment into the Company's Treasury of $112 in cash, and $31 from surplus income; that the full 10 per cent. dividend was a distribution of 2½ per cent. on the Company's total assets; that the cost of the C.P.R. transportation system was $818,000,000 against which there was outstanding capital, of all classes, amounting to $623,000,000. Following this meeting and the President's speech various tributes were paid to Lord Shaughnessy and the C.P.R. The *Wall Street Journal*, New York, declared that: "Lord Shaughnessy, over the Canadian border, has shown the majesty of a trans-continental railroad line and what it has accomplished on the northern part of this continent for a people and Government, in both peace and war. He has shown how the Canadian Pacific from a projected Government line without credit either as a railroad, or in its lands, has been developed into one of the great and profitable railroad systems of the world by the extension of the property and the expansion of its management and financing to all collateral lines of traffic, including mines, steamships and branches over the border. The grand summary is a billion of property." C. W. Barron of Boston, in the same publication, stated that: "In the Canadian Pacific, Canada has for years had a model trans-continental and world-around shipping route. If any railroad man in the United States or at Washington wants to study railroad efficiency, let him take the train to Montreal and see that master-mind in transportation, Lord Shaughnessy." On June 20th the President of the C.P.R. was made an Hon. LL.D. by Dartmouth College, Hanover, N.H.; on Aug. 26th he formally opened the Toronto National Exhibition and in the course of his address dealt briefly with Transportation conditions and more fully with after-war problems; in September, accompanied by R. B. Angus, Sir Herbert Holt, E. W. Beatty and C. R. Hosmer, Lord Shaughnessy made his annual tour of inspection over the C.P.R. lines with 80,000 employees interested in following its details.

To the Winnipeg *Telegram* he stated that he would not oppose Railway nationalization if it were possible without political control. But he was skeptical on this point: "Privately-owned railways may make such extensions as they think fit, or build hotels at points where they believe they can induce tourists to come, but Government railways, if they built an extension at one point would be compelled to build other extensions owing to the political influence that would be brought to bear on them." At Montreal on Sept. 26th, after this 8,000-mile trip, Lord Shaughnessy again referred, in an interview, to Nationalization: "The Government may feel that it must take over the Grand Trunk Pacific; but to take over the Grand Trunk would, in my opinion, be an act of stupendous folly. The Grand Trunk is a great international system, rendering important reciprocal service, with its feeders, as between the eastern and western States, and occupying a vital position also, in the transportation interests of that country."

On Oct. 11th the President's resignation was announced and created a sensation in the country as being quite unexpected to the public though known to be pending by circles which were aware of his state of health. Lord Shaughnessy's career had been a great one, his work of the most effective and valuable nature to the nation and the Empire, his management of the Company during 20 years of National and Railway expansion, a masterpiece of business

*Note.—For full details see *Supplement* at end of this volume.

skill. The personal, press and general expressions of regret were widespread and complimentary; the welcome given to his successor, Mr. Edward Wentworth Beatty, K.C., Director and General Council of the Company, was complimentary in the extreme. As the Toronto *Globe* put it: "Railway history has many chapters of personal romance, but it has few parallels to the career of Mr. E. W. Beatty, who, at the age of 41, becomes the head of the greatest transportation system in the world. Even on this classic continent of opportunity his advance has been sensational." Perhaps Sir Thomas White's letter of congratulation was the best all-round epitome of the appointment: "While deeply regretting Lord Shaughnessy's decision to resign the Presidency of the C.P.R., I offer you my heartiest congratulations on your well-deserved promotion to that most important office. It has always appeared to me that on account of your high character, wide experience and practical knowledge of the affairs of the Company, you would properly, in course, become its President. You have a wonderful opportunity for great national service."

Lord Shaughnessy retained the chairmanship of the Board of Directors; at the same time Sir George Bury resigned the position of Vice-President and was succeeded by Grant Hall, who for some time had been in charge of the Western Lines of the C.P.R.; D. C. Coleman replaced Mr. Hall and A. D. MacTier was appointed Vice-President for Lines east of Port Arthur. Other appointments of the year included that of George M. Bosworth as Chairman of the Canadian Pacific Ocean Services, Ltd.; William R. MacInnes as Vice-President in charge of traffic; W. B. Lanigan as Traffic Manager for Canada, A. E. Stevens as General Superintendent for Manitoba and W. A. Mather as General Superintendent for Saskatchewan; W. N. Tilley, K.C., Toronto, as Legal Adviser to the Company. As to the War, the C.P.R. did remarkable service.* In the Canadian press of June, 1918, there were semi-official statements as to its policy and efforts from which a summary may be given here; as a record of the work of one institution in the War it was quite unique:

1. To the organization and business administration of the British War Office, the C.P.R. loaned its trained executives and its experts in railway construction, repair, maintenance, operation and administration, its buyers and transportation men, its engineers and designers, its master mechanics, bridge-builders, and wrecking crews.

2. To the Transport Service it virtually handed over the largest and most efficiently organized railway unit in the world, *plus* a fleet of 37 first-class ocean steamships of 329,960 tons in the aggregate which served as auxiliary cruisers, transports, patrols or special freighters—their officers and crews, to a man, voluntarily going with them.

3. To the man-power of the Army, up to the end of 1917, the Company's services contributed 7,200 volunteers for the firing line, of whom no fewer than 1,695 had been casualties.

4. To War financing, in loans and guarantees to the Allied nations, it gave upwards of $80,000,000, the largest individual contribution made by any private interest or industrial enterprise in the British Empire or any of the Allied countries.

5. To the provisioning and munitioning of the Armies it gave its great shops, expeditiously transformed into manufacturing plants, hydraulic hay-pressure bases, etc.

6. To the Departments responsible for the scientific care of the soldier and of his sick or wounded invalided brother, in transit, it gave the benefit of specialized knowledge and instantly available constructive resources, in its commissary cars, its troop trains and its hospital cars —built, equipped, officered and manned in record time.

7. To the human factor in khaki and at home it gave each of its men responding to the call to the colours, six months' pay bonus and the assurance that his job would be waiting for him when his duty was done. It gave, also, a reduction from 25 cents to five cents a word in cable charges, so that every soldier of the C. E. F. could keep in constant

*Note.—For full details see article in *Supplement* to this Volume.

Miss Roberta C. MacAdams, m.l.a.,
Served on Nursing Staff of the Orpington Hospital.
Elected Member of the Alberta Legislature in 1918.

Mrs. Colin H. Campbell,
President Manitoba Provincial Chapter, Imperial Order Daughters of the Empire, 1918.

touch with his own kith and kin at just one-fifth of the cabling cost in normal times.

8. To the maintenance of the dependents of the Dominion's soldiers under arms it gave through the Patriotic Fund, many millions.

9. To the solution of the problem of the returned soldier it contributed a well-thought-out plan providing for the successful utilization of 10,000 freely-granted farms of 160 acres each, in touch with the world, these to be grouped in communities so that returned soldiers could begin the development of their own homesteads under expert supervision making for a maximum of success in results. This plan meant expenditures of $3,500,000 of C.P.R. money in the erection of 1,000 comfortable dwellings, 1,000 barns, 1,300 miles of fencing, the digging or boring of 1,000 wells, the preparation for the plough of 50,000 acres of Canadian soil, and the utilization of 20,000,000 feet of Canadian lumber.

Other facts developed as time went on. The Canadian Pacific Ocean Services, Ltd., carried from Aug. 14th, 1914, to the date of the Armistice, over 1,000,000 troops and passengers and this transport system extended to the ports of China, Japan, Singapore, Bombay, Mesopotamia, Suez, Gallipoli, Delagoa Bay, Durban, Mauritius, the Coasts of North and South America; 4 C.P.R. Ships were lost but only 8 individual casualties by enemy action occurred, and 15 ships remained for peace action at the end. In November the C.P.R. subscribed $17,000,000 to the last Victory Loan; the end of the War showed that over 10,000 employees had actually served of whom 774 had been killed and 1,675 wounded; the decorations received by C.P.R. men numbered 120; the career of the *Empress of Britain*, as finally narrated, was one of extraordinary interest and covered all the Eastern seats of war.

The Grand Trunk and Grand Trunk Pacific Railways. The War put an enormous strain upon the railways of this continent. Their borrowings were restricted, their credit reduced, their rolling stock depleted, their staffs reduced, their profits limited. At the same time their expenses enormously increased, the cost of supplies and labour advanced largely and continuously, the demands upon capacity and rolling-stock leaped upwards, while every demand for higher rates was met by a public call for Nationalization. The Grand Trunk suffered severely in this connection but would have weathered the storm without serious public controversy if the burden of the new G.T.P. Railway had not proven greater than it could bear. Standing alone it was doing a good business at the beginning of 1918 though not making profits; it had to pay increasing millions for coal and wages and 200 per cent. extra on the price of materials; and it had to do this on a schedule of rates 15 years old; it was practically the pioneer railway of Canada with 66 years of history and 125 companies merged into its great system; with its huge original and unprofitable investments of British capital it had done much for Canadian development. Yet it was not a popular line like the C.P.R.; its G.T.P. project had proved unwieldy and in war-time unworkable; its finances were a matter of difficulty though, as stated, not serious in nature without the trans-continental burden. Its statistics for the calendar year 1918, as compared with 1917, were as follows:*

1917		1918
$49,785,550	Gross Receipts, as per Account No. 7	$63,276,120
	Deduct—	
40,325,710	Working Expenses	54,899,795
$9,459,840	Net Traffic Receipts	$8,376,325
443,790	Income from Rentals and Hire of Equipment	909,435
$9,903,630	Total Net Revenue	$9,285,760

*Note.—Pounds Sterling are commuted into dollars at $5.00 to the pound.

	Add—	
159,840	Amount received from the International Bridge Co.	159,840
65,065	Interest on Bonds of Central Vermont RR.	65,065
1,337,540	Interest on Securities of Controlled Companies and on St. Clair Tunnel Bonds	1,315,425
828,460	Balance of General Interest Account	523,070
$12,294,535	Net Revenue Receipts	$11,349,165

No dividend was earned on guaranteed or Preference stocks, there was a decrease in Passengers carried of 1,509,105 and an increase in tons of freight and live-stock of 1,983,591. During the year Lord Southborough (Sir F. J. S. Hopwood) was elected a Director in place of the late Colonel Firebrace. At the annual meeting in London on Apr. 25th, with A. W. Smithers in the chair, much dissatisfied comment was made by representatives of 250,000 British shareholders at the Drayton-Acworth Report of 1917, the Government policy of Nationalization, the situation of the G.T.P. The chief criticism of the Drayton Report was that it made no reference to the War and the tremendous responsibilities thrown thereby upon all Railways; the summarized opinion of Mr. Smithers was that the proposals made in that Report were "extraordinary and confiscating." The Grand Trunk capital was £88,000,000, or $440,000,000 of which nearly all was held in England. It had put $100,000,000 of British money into Canada in recent years as new stock, it had received Government or municipal aid during 65 years to a total of $28,000,000 with $114,000,000 for the G.T.P. while the C.P.R. had received $347,000,000 and the Canadian Northern $297,000,000.

As to proposed Government purchase Mr. Smithers said: "We have asked the Government to assist us on the same lines as the British and American Governments, but there appears to be a demand on the part of a portion of the Canadian public to surmount the Company's difficulties by a purchase outright. We do not ask to be bought out, but if purchase is the easiest path for the Government to treat, then, as I have said, we contend the price must not be settled on the basis of the present abnormal and unprecedented conditions which are entirely beyond our control, but on a fair estimate of future value. I do not believe that the Canadian Government will wish or allow a policy of confiscation to be pursued towards the innocent investor who subscribed his money because of his strong belief in the future and entire faith in the credit of Canada." Sir Robert Perks moved and the shareholders approved a strong motion of protest against "unjust treatment" of the Railway in Canada and of confidence in the Board. Canadian comment was somewhat indifferent to the past and sceptical as to the future; the old belief that no great interest could prosper with directing control 2,000 miles away was revived; the Winnipeg *Free Press* (June 5th) declared that it was simply a question of the Government taking over the G.T.P. or the Grand Trunk passing into a Receiver's hands. Negotiations between the Board and Sir Robert Borden, with Messrs. Meighen and Calder, followed in June-July but only a clearer understanding resulted; there was no settlement of the matter. The Grand Trunk wanted values to be based upon potential as well as present earning powers, was not anxious to sell at all and would much prefer temporary relief; the Canadian Government, in effect, maintained that the Company should either shoulder its liabilities and not ask for further help in carrying the G.T.P. interest burden or else sell out on a reasonable basis. Conditions were improved for the Railway by the success in September of a Loan of £3,000,000 placed in London.

As to the Grand Trunk Pacific, Mr. Smithers in his speech of Apr. 25th declared that it never entered into the calculations of the Board or of Mr. Hays (then General Manager) that the Government, having entered into serious engagements to assist in carrying out the immense undertaking of a new Transcontinental line, would allow the C.P.R. to build lines into the very territory which the Government had agreed to assist the Grand Trunk Pacific to occupy and serve, and above all, would subsidize the Canadian Northern

Railway to build new lines competitive with nearly the whole of the G.T.P. Railway: "The effect of this colossal new railway building created a heavy demand for all railway labour, raising the rates of wages to three times the rates existing when the G.T.P. Railway Acts were passed. The same conditions applied to the cost of all materials and, led to a serious rise in price of everything required in railway construction. Thus, not only did the new competitive lines raise the cost of the G.T.P. enormously above the original estimates, but the competitive lines, when completed, of necessity took away from the G.T.P. a large portion of the traffic to accommodate which the Line was projected and built." Then came the War and an enhancement of all difficulties.

At the 1918 Session of Parliament $7,500,000 was granted as a further Loan to assist in meeting current obligations but it was not sufficient despite such facts as the statement of Howard G. Kelley, President of this Line, and of the Grand Trunk, on Aug. 3rd, that: "The physical condition of the Grand Trunk Pacific is excellent; traffic is increasing in an eminently satisfactory manner and the road is making a valuable place for itself in the West. New land is being broken in the prairie sections and many settlers are going into the rich valleys served in Central British Columbia." The situation by the close of 1918 was described as follows in the Grand Trunk Railway annual Report: "Owing to the continued heavy increase in expenses arising from War conditions, and a deficient harvest along the line the Loan of $7,500,000 was insufficient to enable the Company to continue operating the railway. In order to prevent inconvenience to the people of Canada served by the Grand Trunk Pacific Railway, the Grand Trunk Company was compelled to notify the Government that they could no longer operate the Railway without further assistance. The Government replied that they were not prepared to grant such assistance, but elected to appoint the Minister of Railways as Receiver under the War Measures Act, and the Company's staff is now working the Railway under his authority." Incidents of the year included the appointment of H. E. Whittenberger, as General Superintendent, Western Lines of the Grand Trunk Railway, with headquarters at Chicago; C. G. Bowker, as General Superintendent of Ontario Lines at Toronto; W. R. Davidson, as General Superintendent Eastern Lines at Montreal. W. G. Riddell was appointed Advertising Agent for the Grand Trunk Pacific.

The Canadian Northern Railway System. This trans-continental Line closed its chequered but not inglorious career, as an independent entity, in 1918. Its 3rd annual Report was issued in October, signed by Sir Wm. Mackenzie as President, and covered the year of June 30th, 1917. The following statistics were the most important: Gross earnings, $43,495,076; Working expenses, $31,349,408; Net earnings, $12,145,668, with, after deduction of Interest charges totalling $14,607,805, a Net deficit of $2,462,136. The average mileage of the System at this time was 9,396 as against 8,048 in 1916—the mileage in operation on June 30th was 9,433; the gross earnings showed an increase of $8,018,801 in the year or 22 per cent., and the net earnings an increase of $2,772,137 or 29·57 per cent.; the working expenses were 74·77 per cent. of the gross earnings—the cost of the principal supplies increasing between 50 and 100 per cent.

Coal in this respect rose from $3.56 per ton in 1916, to $5.70 in 1917; steel-rails from $35 to $60; track-spikes, per cwt., from $2.50 to $4.50 and angle-bars from $1.65 to $3.50; brass castings from $25.50 to $39.15; Lumber and timber 25 per cent. and all rubber supplies 70 per cent. Yet, the Report pointed out, operating expenses only increased 20·10 per cent. It was added that the fiscal year ending June 30th had been changed to the calendar year. According to the Balance Sheet of the Company, the total Assets on June 30, 1917, were $586,621,650 of which $506,960,975 was property investment or railway equipment at cost; there were Land assets of $28,962,494 and current assets of $30,085,724. The Liabilities totalled $100,000,000 of common stock, $5,947,100 of affiliated companies stock, $250,000,000 of debenture stock and

$287,595,420 of Funded debt, $56,829,769 of demand and short term loans (secured) and $24,341,882 due to other Companies on Construction account (secured), current liabilities of $15,783,008, $5,079,719 of accrued interest on loans and securities, $9,320,714 owed to affiliated Companies. The Surplus was stated at $37,321,946. The statistics of earnings, etc., in 1914-17 were as follows:

Year	Average Miles operated	Earnings	Expenses	Net Earnings
1914-15	7,269	$25,912,106.30	$19,288,814.42	$6,623,291.88
1915-16	8,048	35,476,275.06	26,102,744.52	9,373,530.54
1916-17	9,396	43,495,076.56	31,349,408.18	12,145,668.38

Meantime, varied developments had followed the Parliamentary decision of 1917 to acquire the balance of the capital stock of the C.N.R.—$60,000,000 par value—not yet held by the Government of Canada and the ensuing appointment of a Board of Arbitration to determine its actual value. Early in 1918 Sir W. R. Meredith, Chief Justice of Ontario, was appointed to represent the Government on this Board, Hon. Wallace Nesbitt, K.C., to represent Mackenzie Mann & Co. and the Canadian Bank of Commerce and Mr. Justice R. E. Harris, of Nova Scotia, as the 3rd Arbitrator. At the first meeting of the Board in Toronto on Feb. 4 there was an imposing array of legal, financial, and railway leaders present and the press followed this and ensuing meetings with great interest and sensational exploiting of evidence. During a prolonged series of questions and elaborate answers to important questions or statements of official policy and action, F. H. Phippen, K.C., gave a history of the C.N.R. project; Prof. G. F. Swain, consulting engineer of Boston, who was connected with the Drayton Report testified as to his valuation of the Line at $391,000,000 while other witnesses, later on, pointed to a number of omissions in his statement of C.N.R. assets.

D. B. Hanna traced the growth of the project in detail and in all its phases, claimed that the C.N.R. only needed time to develop its immense potential resources and actual wealth and placed the value of the stock in question at $30,000,000. Mr. Hanna spoke on Feb. 7th of 21 years' experience during which he had seen the Line grow from 100 miles to close on 10,000 miles; the annual gross earnings grow from $70,000 to $43,500,000; and the rolling stock from three locomotives to 735; and 83 freight cars, all told, to 43,000; he had seen the operating staff grow from 14 to 23,500: "The C.N.R..," he added, "has placed on the map of Canada 551 towns and villages where before was nothing but plains. It is clear that there is immense value in this property." W. H. Coverdale, Engineer, of New York, testified and Samuel Bertron, a New York banker, declared the C.N.R. stock to be worth 50 to 60 cents on the dollar; W. N. Tilley, K.C., quoted a document giving the Manitoba Government an option on the C.N.R. until 1929; M. H. Macleod, General Manager in the West, Sir Donald Mann, Z. A. Lash, K.C., and Sir William Mackenzie, gave evidence at length. J. L. Payne, Comptroller of Statistics, Department of Railways, Ottawa, made the sweeping statement on Apr. 24th that: "In my judgment, based on a careful and consistent study of the statistical position of the Company, as revealed by its sworn statement of returns to the Government, the C.N.R. is not only insolvent, but all conditions point to aggravation rather than modification of the situation in that regard." His basis of estimate and comparison was the C.P.R.

Mr. Hanna absolutely denied the accuracy of the figures used and quoted others in direct contradiction. The Hon. John Oliver, Premier of British Columbia, claimed (Apr. 30th) that the C.N.R. in that Province had received over-payments on account of and during the progress of local construction and declared that the Province intended to press for a refund. In the concluding arguments Counsel spoke at length and the unanimous Award was, finally, given out on May 27th. It valued the 600,000 shares in question at $10,800,000 though the limit of payment set by Parliament was $10,000,000; it placed the amount of Assets over Liabilities on Oct. 1st, 1917,

at $25,000,000—the Government Counsel had claimed $22,000,000 and the C.N.R. Counsel $85,000,000; but, it was added, this was not conclusive as to the final value of the stock of the Company: "Its prospective earning power is perhaps more important than any other element in ascertaining such value, and in arriving at a conclusion we have given careful consideration to the past history of the Company." Mr. Hanna held one view as to this, Professor Swain another, the Board accepted the latter's estimate in the main.

Sir William Mackenzie's comment on the decision was simple: "The C.N.R. in my opinion, and in the opinion of the transportation experts who have examined the situation, is destined to be an essential factor in the development of the country, and will be particularly useful in the reconstruction days into which this country must soon enter. Sir Donald Mann and myself have devoted the best of our years in developing it to its present stage, and confidently rely upon the future to justify our work." Financial opinion on the whole considered the Award reasonable; the comment of another element of public opinion may be summarized in the words of the *Grain Growers' Guide* (June 5th): "It is doubtful if they (Mackenzie and Mann) are entitled to a red cent. It is true they built a railroad, but anybody could do that if they had money enough!" Meanwhile, Parliament had been considering and had passed a Bill to enable the Government to assume and care for maturing obligations of the C.N.R. A condensed balance sheet presented to the Commons on May 10th by Hon. A. K. Maclean—as at Sept. 30th, 1917—showed Assets of $592,173,428 and a Surplus over Liabilities of $34,842,073. Amongst the many figures presented to Parliament at this time were the following as to C.N.R. Government liabilities:

Securities	Funded Debt	Held by Public	Pledged
Guaranteed by Dominion	$104,613,248	$71,660,914	$32,943,334
Guaranteed by Provinces	107,514,642	79,768,528	27,746,115
Unguaranteed Securities	147,813,604	102,483,646	43,319,958
Total guaranteed and unguaranteed	359,941,494	253,913,088	104,009,407

Following the Award, the final taking over of the Railway and the payment on Sept. 12th of $8,500,000 to Mackenzie and Mann for their 510,000 shares handed to the Government, there was much discussion as to appointments and future C.N.R. headquarters, etc. The Liberal papers stated at this stage that Hon. Frank Cochrane, ex-Minister of Railways, had been promised the Presidency, and they objected strongly on the ground of possible political control; the Government press pointed out that whether the statement was true or not, Mr. Cochrane had been the first Minister to apply non-partisan management to the Intercolonial. On Sept. 18th the new Government Board of the Canadian Northern System was announced as follows: D. B. Hanna, President and Managing-Director; A. J. Mitchell, an Executive Director dealing with financial operations, Major Graham A. Bell, C.M.G., Deputy Minister of Railways, as special Government Director, together with Robert Hobson, Hamilton, F. P. Jones, Montreal, E. R. Wood, Toronto, R. T. Riley, Winnipeg, and C. M. Hamilton, Weyburn, Sask. There was general satisfaction with these appointments and many personal compliments were tendered Mr. Hanna by the press. W. H. Moore, Secretary of the C.N.R., retired and was succeeded by R. P. Ormsby; M. H. MacLeod was made Vice-President with headquarters in Toronto and A. E. Warren, General Manager of Western Lines at Winnipeg. On Nov. 19 an Order-in-Council united all the Government railways—C.N.R., National Transcontinental, Intercolonial, and lesser lines, with a total mileage of 13,700—under Mr. Hanna as President of the system and with the following Board of Directors: A. J. Mitchell and E. R. Wood, Toronto, R. Hobson, Hamilton, R. T. Riley, Winnipeg, G. A. Bell, Ottawa, F. P. Jones and Sir H. Laporte, Montreal, A. P. Barnhill, K.C., St. John, Thomas Cantley, New Glasgow, C. M. Hamilton, Weyburn. The chief officials, in addition to Mr. Hanna, were as follows:

Vice-President	Finance	A. J. Mitchell
Vice-President	Operation	M. H. MacLeod
Vice-President	Traffic	C. A. Hayes
Asst. Vice-President	Operation	S. J. Hungerford
Senior Counsel		Z. A. Lash, K.C.
Secretary		R. P. Ormsby
Assistant to President		R. C. Vaughan
Assistant to President		A. J. Hillis
Treasurer		L. W. Mitchell
General Manager	Eastern Lines	F. P. Brady
General Manager	Western Lines	A. E. Warren

Meanwhile, on Sept. 21st, the C.N.R. inaugurated the last link in its Transcontinental line when the section between Hawkesbury and Montreal was completed. At the close of the year Mr. Hanna, in a published speech, put the average gross earnings of the Canadian National Railways at $5,000 per mile as compared with over $10,000 on the C.P.R. and described its total mileage as about 14,000 or 35 per cent. of the total railway mileage in Canada.

Transportation Incidents of the Year. The Hudson Bay Railway during 1918 neared completion though very little money had been recently spent upon it in view of war events. At the beginning of the year the advantages of this Government-owned transport line, connecting Port Nelson on Hudson's Bay with the wheat-fields of the West and, by a further development, with the British market at Liverpool, were greatly eulogized by Kelly's *Monthly Trade Review*, London. By its junction point at Le Pas it was linked with the trans-continental lines; at this stage over 420 miles of rail had been laid and graded, bridges had been built, halts and stations erected, and only about 20 miles of track were unfinished. Port Nelson's new harbour was well advanced. It was claimed that the economy of distance, handling and consequent cost of transport as between the usual route for Canadian wheat and other produce to England and the Port Nelson to Liverpool route, was striking—the existing route from Saskatoon to Liverpool being 1,489 land miles and 3,359 sea miles; the route *via* Port Nelson 697 land miles and 2,966 sea miles. If the Bay navigation lasted 3 months as was claimed, an export trade of 30,000,000 bushels could be handled with an estimated saving of 15 cents a bushel to the Western farmer. The subject was discussed in the Senate on May 15 and Sir James Lougheed stated that 332 miles of the Line then were completed with 214 miles under operation and self-supporting.

It was announced on Jan. 25th that British, American and French steamship lines interested in the North Atlantic trade had concluded an alliance for the purpose of governing the passenger business of these concerns. The Alliance would be known as the "Atlantic Conference," and replace a similar organization which existed before the War, but from which the German and Austrian lines would now be excluded. The main offices of the organization were to be in Paris. The formation of this new "Conference" was taken as a definite and far-reaching step towards an after-war shipping policy directed by Entente Allies and very different from the pre-war Atlantic Conference which had its offices at Jena, in the heart of Germany, and held most of its meetings in Berlin and Cologne. The underlying idea of the new body was protective and its primary object to consolidate, in a commercial sense, the interests of the Allies.

On Feb. 25th it was announced at Vancouver that the first bulk shipment from that port *via* Panama Canal had arrived safely at a British port. A steamer loaded at the Government elevator in Vancouver early in November 1917 with 100,000 bushels of wheat from the prairies had made the journey to the United Kingdom *via* the Panama Canal, with a grain shipment from Winnipeg.

In May an agreement was reached between the Government and the Quebec and Saugenay Railway Co., through Sir Rudolphe Forget, as to the price to be paid by the former for the road. The Government had already expended $1,000,000 on its completion without holding an actual title; it reached Baie St. Paul in June and was expected to be at Murray Bay by the autumn. During the Parliamentary Session $3,489,000 was finally appropriated for its purchase.

The Quebec Bridge was completed during the year though the first train had already crossed on Dec. 3rd, 1917, with continuous traffic since that date. Its total length was 3,240 or over three-fifths of a mile; the length of its main span—a triumph of engineering—was 1,800 feet; the Board of Engineers at completion was composed of C. N. Montsarrat, Ralph Modjeski and H. P. Borden; the contractors were the St. Lawrence Bridge Co.; the total expenditure by the Government after its collapse in 1916, was $14,175,861 and the total cost was $21,960,136 up to Mch. 31st, 1918.

The question of good roads continued in 1918 to be an important one; the 5th Good Roads Congress of North America was opened at Hamilton on Apr. 30th by Hon. F. G. Macdiarmid, Minister of Highways for Ontario; special consideration was given to the value of motor-trucks in transportation and the consequent importance of good roads to the farmer—for motor-trucks and motor-cars. S. J. McLean, Dominion Railway Commissioner, put the general issue clearly in the Montreal *Star* of Dec. 14th: "Transportation does not begin at the railway. It begins at the producer's door. What have we done to lessen the cost of haulage on highways? What have we done to make agricultural industry more profitable as compared with other industries by the lowering of road-haul costs? Have we yet learned that a bad road is the most expensive thing in the world? All traffic to be rail-borne or otherwise, moves at some time over the highway. In 1917, one dollar carried a ton of average freight 144 miles on Canadian railways. At the same time, on ordinary roads, it carried a ton of freight in a waggon four miles. Railway haulage and highway haulage are, of course, not strictly comparable, since the comparison is between a wholesale and retail movement. At the same time, there is sufficient opportunity to lessen the spread." At a meeting of the Board of the Canadian Good Roads Association, Montreal, Nov. 29th, the question of roads and after-war reconstruction was dealt with and a Resolution passed declaring that "no other public works are more urgently required in connection with the improvement of conditions in agriculture, industry, and of the people generally, or will afford so much labour in proportion to the money cost." On Dec. 9th a large Delegation waited upon the Government at Ottawa and urged joint Federal and Provincial action along this line.

Prior to the acquisition of the C.N.R., the Dominion Government owned and controlled two main lines of railway. Its responsibilities were outlined by Hon. J. D. Reid, Minister of Railways, in Parliament on May 17th when he presented a statement which showed that there were then 4,130 miles of railway under the direction of the Department of Railways and Canals, made up of: Intercolonial, 1,518 miles; P.E.I. Railway 275 miles; National Transcontinental 1,811 miles; Lake Superior Branch, 191 miles; International, 111 miles; N.B., and P.E.I., 36 miles; Dartmouth to Deans, 79 miles and the St. John Valley Railroad, 119 miles. The whole system was operated by a General Manager of Eastern lines and a General Manager of Western lines. Since taking over the N.T.R. in 1914 the Government had sought to operate all as one system and increase its efficiency. In recent years though the roads had received a fair share of business: "The net results are not such as I would like to report. The cost of maintenance has gone up. Fuel has doubled in price; Wages, supplies, and equipment have increased enormously. But the results achieved are equal to those of other railways. In the operation of the Government railways we have had the co-operation of all classes." The statistics showed working expenses for the year ending Mch. 31, 1918, of $32,298,947 as against $24,627,271 in 1917 and $17,797,061 in 1916; the earnings were, respectively, $27,004,666, $23,468,998 and $18,373,143.

War-Time Industries of Canada; The Imperial Munitions Board

During 1918 the Dominion reached the height of an industrial expansion resulting, in the main, from war conditions. Great Britain and the Allies wanted all the war supplies and munitions and food that Canada could send them; the United States needed Canadian activities to supplement the enormous war-effort which was developed there during this year; Canadian manufacturers, as a body, were keyed up to a very high point of efficient work and rapidity of action. The primary obstacles were the British inability to pay cash for war orders, a considerable lack of shipping, shortage and cost of labour, difficulty in getting raw materials. Government action and popular support to War Loans met the first and greatest difficulty; the others were dealt with from time to time as special emergencies arose. In the fiscal years ending Mch. 31st, 1914-18 the total of Canadian manufactured exports was $1,833,225,759 or $85,539,501 for 1914-15, $408,026,574 in 1915-16, $703,057,168 in 1916-17 and $636,602,516 in 1917-18. The total in the preceding four years of 1911-14 had been $172,255,562. The tremendous expansion can be seen at a glance. Meantime the official Federal Census of Manufactures for the year 1917 indicated in greater detail the war development of Canadian industry:

	1917	1915	Increase
Capital Invested	$2,772,517,680	$1,994,103,272	$778,414,408
Employees on salaries (No.)	73,598	52,683	20,951
Salaries paid	$95,983,506	$60,308,293	$35,675,213
Employees on wages, including Piece-workers (No.)	619,473	462,200	157,273
Wages paid	$457,245,456	$229,456,210	$227,789,246
Cost of materials	1,602,820,631	802,133,862	800,686,769
Value of products	3,015,506,869	1,407,137,140	1,608,369,729

The increase in the industrial export of Canada between 1915 and 1918 was 648 per cent.; yet Canadians were not entirely supplying the Canadian market as the large imports of drugs, dyes and chemicals, electric apparatus, cordage and wire, furs and fibres, gutta percha and rubber, hats and caps, iron and steel, oils, silk, vehicles, etc., showed. Industrial incidents of 1918 included the establishment of the soda ash industry at Amherstburg; an increased demand for bicycles with a special call from the Western Provinces; the increase in manufactured food products from a value of $388,815,362 in 1915 to $755,245,185 in 1918; the inauguration of the new nickel refining plant of the International Nickel Co. at Port Colborne on July 1st with an expected output of 15,000,000 pounds of Nickel and 8,000,000 pounds of copper a year; the opening of a new locomotive tyre and wheel plant of the Armstrong-Whitworth Co. at Longueuil, Que., on July 31st; the establishment at Beaverton and other points of a new Canadian Toy industry and a Toluol and Dye plant at Walkerville by Hiram Walker and Sons; the creation of valuable sites for manufacturing purposes and their partial utilization at Toronto as a result of its schemes of Harbour development.

A Census of the Lumber industry published on Dec. 20th showed 2,879 operating concerns in Canada with a capital invested of $140,266,019, wages of $34,412,411 paid and a product valued at $115,777,130; a steady increase in production and export of drugs, dyes and chemicals was shown with the export in 1918 (31 Mch.) of $14,207,609 as against the import, however, of $26,522,172 worth; there was an estimated total production of flour in Canada at 18,000,000 barrels while the great prosperity of the Millers was shown in the profits of the five chief concerns totalling $4,647,175 in 1918 and $3,256,332 in 1917—despite the continuous regulation of prices and profits by the Canada Food Board; the expansion of the Meat industry was indicated by the Dominion Bureau of Statistics for 1917 with a capital investment of $85,673,271, a production of 153,279,252 and exports of $77,119,877—with imports of $35,-069,085; the similarly compiled figures of the Implement industry showed an investment of $70,493,801, a cost of materials totalling $15,599,651, or an increase of 160 per cent. and a production valued at $32,364,340 or an increase of 142 per cent.

Of specific industries that of Steel had the greatest expansion. Writing in the *Monetary Times* Colonel D. Carnegie of the Munitions Board, (Mch. 29th, 1918) pointed out that: "Before the War Canada's capacity to produce steel was approximately 1,000,000 tons per year, or about 1-80th of the world's steel producing capacity. To-day, its capacity is approximately 2¼ million tons per year, or nearly 1-40th of the world's present estimated capacity. Canada has reason to be proud of the increase. No other steel producing country has advanced in this respect more than 25 per cent. during the war. Canada's increase has been over 100 per cent. From 60 to 70 per cent. of Canada's steel production is at present used for munitions purposes." With the close of the War also, there would come a tremendous demand for ships' plates, rails, materials for rolling stock, structural steel, steel for agricultural purposes, automobiles, tractors, general and machinery castings.

The annual Report of the Dominion Steel Corporation of Nova Scotia (Mch. 31, 1918) showed a production of iron and steel as follows: 981,927 tons of pig-iron, steel ingots, blooms, rails, wire-rods, bars, wire and nails, compared with a total in the previous year of 1,013,619 tons. The net earnings were $11,030,112 with a balance at Profit and Loss of $13,754,157. In Canada as a whole, Thomas Cantley of the N. S. Steel and Coal Co., pointed out that the production of steel ingots between 1914 and 1917 had increased from 811,567 to 1,686,005 tons and of direct steel castings from 17,074 to 42,807 tons. The other large concerns—the N. S. Steel and Coal Co., the Steel Company of Canada at Hamilton, the Dominion Foundries and Steel Co., the Ontario Steel Products Co., the Steel and Radiation Ltd., the Lake Superior Corporation, all had a year of great production and substantial returns. The reduction in the quantities of steel allowed by the United States and Canadian Governments to be used in certain trades and products during the War made a difference but the war demands, of course, were more than

compensatory. A much-discussed merger of the Dominion Steel Corporation and the Nova Scotia Steel and Coal Co. was abandoned in May.

Electrical developments of an industrial nature were conspicuous during the year—the gross value of production in apparatus and supplies being $40,204,245 in 1917. Power resources during 1918 became an object of special study and the Imperial War Conference, the Commission on Conservation, the Research Council, the Department of the Interior, were all engaged in estimating conditions and preparing for utilization of electrical water-power. At Ottawa a Dominion Power Board was established on Nov. 15th with Hon. Arthur Meighen as Chairman and Messrs. Carvell, Reid, Rowell, Calder and Ballantyne as members for the purpose of co-ordinating public effort and developing power resources. It was estimated at this time that the amount of Power used in the world was 120,000,000 horse-power with 24,000,000 horse-power used by shipping, 21,000,000 by railways and the balance by industries and public utilities; of the total horse-power the British Empire possessed about 70 million. The industry which it was thus proposed to promote already employed in Canada 8,847 officials and wage-earners, had a revenue of $44,536,848, a primary power installation of 1,652,661 horse-power derived from water, 180,800 horse-power from steam and 11,710 horse-power from gas or oil-driven plants. General statistics were as follows in this year:

Province	Power Available	Generating Stations	No. of Units	Primary Horse-Power	Capital Invested	Per Primary H.P. installed
Ontario	5,800,000	143	352	784,665	$142,777,379	$182
Quebec	6,000,000	101	232	606,082	130,213,470	215
Nova Scotia	100,000	34	55	17,444	3,376,405	194
New Brunswick	300,000	21	40	17,733	3,443,848	194
Prince Edward Island	3,000	6	10	1,226	211,900	173
Manitoba	.....	22	41	67,337	12,078,173	179
Saskatchewan	3,500,000	51	81	31,759	5,590,515	176
Alberta	.....	43	82	75,417	11,102,620	147
British Columbia	3,000,000	46	86	232,648	43,548,492	187
Yukon	100,000	3	4	10,260	3,661,366	357
Total	18,803,000	470	983	1,844,571	$356,004,168	Aver.$193

The Pulp and Paper industry was an important one and the subject of much discussion in 1918. The resources available were great, with an estimated 350,000 square miles of pulp-wood timber and a possible yield of 1,033,370,000 cords of pulp-wood; there were 91 incorporated Companies engaged in manufacturing pulp or paper with a combined capital of $200,000,000, an output of $85,000,000 and a pay-roll of $15,000,000 with 25,000 employees; exports of pulp and paper products were valued at $120 in 1890 and $10,000,000 in 1910—for the fiscal year of Mch. 31, 1918, they totalled $71,755,325 of which $37,742,697 was for pulp and the balance for pulp-wood. These exports exceeded in value Canada's total industrial exports of 1913 while the Dominion in 1918 supplied the United States with one-fourth of its 2,000,000 tons' consumption of newsprint, or 492,890 tons in 1917 out of 650,000 tons produced in Canada. Hence the Newsprint problem of these years.

The United States needed Canadian paper for its newspapers and Canadian pulp for its mills and, since 1912, Canadian-made paper had been admitted to the Republic free of duty. On the other hand, Canada had 138 daily and 921 weekly papers of its own and some of them required 50 tons of paper daily; it took 20,000 acres of pulp-wood forest to supply Canadian papers alone with white paper for a year; the publishers of these journals paid over 3½ million dollars a year for this latter product.

During the entire year a controversy raged between newspaper publishers and newsprint manufacturers as to prices. Prices had been steadily advancing and the newspapers charged the existence of a combine of 13 out of 15 newsprint manufacturers—a United States Court decision of Nov. 26th, 1917, had proclaimed the existence of an American combine; while the increasing demand of United States journals for Canadian newsprint created another complication. From April, 1917, R. A. Pringle, K.C., of Ottawa, had been a Government Commissioner investigating conditions and trying to effect a settlement; the newspapers, however, maintained that the inquiry was too limited and early in 1918 withdrew altogether from its proceedings. On Jan. 22nd Mr. Pringle submitted an interim Report to the Government in which he stated that $2.85 per 100 pounds should be fixed for a period of three months dating from Feb. 1st and ending May 1st, 1918—as $2.50 per 100 pounds for newsprint in rolls and carload lots was not a price which properly remunerated the manufacturers owing to the very great increase in cost. He declared that the elimination of effective competition had been achieved by consolidation amongst the manufacturers and described the chief object of further inquiry as being the actual cost of the making of Newsprint.

The publishers at once protested to the Government and asked for a retention of the $2.50 rate until the inquiry was completed. The Commissioner's recommendation was, however, approved by Order-in-Council and an appeal to the Supreme Court against his ruling was refused to the manufacturers; both parties to the dispute vigorously assailed Mr. Pringle, who, on Mch. 12th, urged them to come together and stated that though the manufacturers had sought to defy the laws by refusing to supply paper at the Government price, they had helped his Commission with all possible information while the newspapers had given him no assistance in that respect and had objected to an appeal to the Supreme Court. On June 19th, following, the U.S. Federal Trade Commission fixed the price of newsprint paper, in accordance with agreement between the Attorney-General and certain manufacturers of the United States and Canada, as follows: Roll news in car lots, $3.10 per 100 pounds; roll news in less than car lots, $3.22½; sheet news in car lots, $3.50; sheet news in less than car lots, $3.62½. The prices were to be retroactive and take effect on Apr. 1st, 1918 and were to last until three months after the end of the War; 3 American and 7 Canadian Companies shared in the agreement with a production of 950,000 tons or 50 per cent. of the continental output; the Cana-

dian Corporations included were the Spanish River Pulp and Paper Mills, Abitibi Power and Paper Co., Laurentide Company, Belgo-Canadian Pulp and Paper Co., Price Brothers & Co., Donnaconna Paper Co., and the Brompton Pulp and Paper Co. The agreement contained various details as to commissions, etc.

The basic price per ton for Newsprint under this decision was $62, though there were variations; the manufacturers originally wanted $80, the current Canadian figure allowed by the Government was $57. Figures submitted to the U.S. Commission during its inquiry showed that the average cost of production for nine Canadian Companies had risen from $44.26 a ton in 1917 to $51.45 in the first three months of 1918. On June 28th, Mr. Pringle issued at Ottawa, an order which continued until Sept. 1st the price of $2.85 per 100 pounds for Newsprint in carload lots. The Order also continued the arrangement for the pooling of the comparative losses sustained by the makers of Newsprint who supplied Canadian customers at a lower figure than they obtained for the exported article. The Commissioner continued his inquiry in September and it appeared that the higher freight rates and the increased cost of wood and wages were the chief things responsible for still greater cost of Newsprint production. Meanwhile the newspapers were appealed to in the United States to save paper as containing many valuable war chemicals and involving men and money in production; at Ottawa the newspapers again refused to attend the Hearings on the ground that the inquiry was insufficient and unfair; on Sept. 25th the Commissioner fixed the price of Newsprint for two months ahead at a further advance to $69 per ton or $3.45 per 100 pounds—to be retroactive to July 1st.

The newspaper publishers protested vigorously and claimed that this meant $3,000,000 added to their paper bill. On the other hand the Montreal *Gazette* of Sept. 27th declared that: "We are prepared to accept the price of Newsprint fixed by Commissioner Pringle as fair and reasonable, having regard to the cost of production. He has shown much patience in arriving at a conclusion, investigating thoroughly the cost of manufacture in order to determine a rate carrying no undue profit. At this juncture, it may be added, the price in the United States was fixed at $70 per ton or $3.50 per 100 pounds. A conference was held at Ottawa on Oct. 16th between Mr. Pringle, who had for some time been styled Controller of Newsprint, and the publishers of daily papers all over Canada and a voluntary offer made by the publishers to reduce the consumption of Newsprint, for war as well as economic reasons, with a series of regulations suggested to this end.

As a result of appeals from Mr. Pringle's rate decision by both parties a Tribunal was appointed by the Government to deal with it, composed of three Judges—Hon. W. E. Middleton, Hon. Charles Archer and Hon. A. S. White. Before this Court both manufacturers and publishers were representd by counsel, as well as the Government, and a keen legal fight followed with close inquiry into the prices and profits of the manufacturers and a claim by the others

that $50 a ton was sufficient. The matter was not settled at the close of the year. Other incidents of the year in this connection included the acquisition by a group of American and Canadian capitalists of 1,156,000 acres of forest and pulp land in Northern Ontario, the organization of the Spruce Falls Paper and Pulp Co., Ltd., with the proposed construction of a wood-pulp mill, and the issue of a valuable booklet on this industry by A. L. Dawe, Secretary of the Canadian Pulp and Paper Association.

A word must be said here as to the Canadian efforts of the year in Concrete shipbuilding. It was not entirely a new idea; a concrete row-boat had been built and used in France in 1849, another in Holland in 1887, and a number in Italy between 1897 and 1905 while Germany had constructed a concrete freighter in 1909. According to the *Scientific American,* however, Canada in 1910 built the first concrete boat in North America—a scow for use on the Welland Canal; on Nov. 12th, 1917, a concrete steamer, *Concretia,* was successfully launched at Montreal; in 1918 an American ocean-going steamer, *The Faith,* was plying between California and Vancouver, and, at the same time, steamers of this material were under construction at Montreal while enthusiastic promoters believed that this kind of vessel would solve the world crisis in shipping. Some of the advantages were described as cheaper and quicker construction; economy in steel; increased strength owing to absence of rivet holes and jointing; economy of skilled labour; freedom from corrosion; economy in repairs and upkeep; greater durability and reduced depreciation. The chief disadvantages of concrete, as compared with steel ships, were the greater weight, involving greater displacement for the same deadweight; increase of net tonnage and resulting increase in port and harbour dues; increased cost of building and launching ways; and greater time needed for repairs. The matter was taken seriously in many quarters but the industry was still experimental at the close of the year. Other Industrial events of the year included the making of large profits by the Canada Car and Foundry Co., Ltd., after a war-period of financial difficulties and at least two crises, with a total surplus carried forward on Sept. 30 of $5,820,171 and an output for the year of $95,233,000; the profits of the Sherwin-Williams Co., Ltd., of Montreal totalling $1,162,951 with a surplus carried forward of $2,333,282—equal to 61 per cent. on the common stock; the installation at Guelph of a yarn-spinning plant, with 800,000 pounds a year capacity, by the Dominion Linens Ltd.; the great expansion of the cotton industry, and a statement in the Montreal *Financial Times* of Sept. 21st that between 1914 and 1918 the book value of the Dominion Textile common stock increased from $116 to $145 a share, Canadian Cottons from $103 to $144 a share, Canadian Converters from $115 to $137 a share, and Wabasco Cotton from $117 to $133, with a general increase in dividends; the net profits for 1918 of the Maple Leaf, Ogilvies, Lake of the Woods and St. Lawrence Milling concerns which totalled $4,103,331; the important industrial transfer of D.

H. MacDougall from the Dominion Steel Corporation to the Presidency of the N. S. Steel and Coal Co.

A characteristic of this period was the curious indifference of the Canadian manufacturer, in many cases, and in the first part of the war, especially, to his export market; as the war developed the value of these markets were almost forced upon his attention with a great response and most profitable result. Normally, however, there was a tendency to consider the home market more easily handled and more profitable. There was another consideration which, apart from War industries, C. H. Waterous of Brantford, put as follows in the Toronto *Globe* of Feb. 19th: "If Canada wants to figure very largely in the foreign markets, I am of the opinion that the Government will have to take the matter up. We have unlimited resources, and everything at our doors for providing practically every commodity; but the average manufacturer has not sufficient capital to enable him to compete in foreign markets. Selling goods abroad is a very expensive item." There was, meanwhile, special industrial development at Port Arthur, with a great railway car factory, shipbuilding yards and paper pulp mills; important shipbuilding interests were created at Vancouver and New Westminster, large developments came at Hamilton in steel and other industries; there was an increase in the working capital of 17 industrial companies from $30,751,097 in 1914 to $71,822,620 in 1917, with further additions in 1918.

Work of the Imperial Munitions Board. The Canadian work of the year, in munitions, and during the years of the War, was important as to results, gratifying in its effective management, satisfactory in the prosperity brought to the people, great in the tremendous war value of its product. To the Imperial Munitions Board, which succeeded the famous Shell Commission in 1915, under appointment by the Imperial Government and with Sir Joseph W. Flavelle, as Chairman, much of this success was due. Prior to August, 1914, Canadian manufacturers knew nothing of shrapnell or shell-making and had never made a cartridge case or fuse; by Dec. 31, 1915, under the Shell Commission, they had exported $57,241,852 worth; in the next three years, under the Imperial Munitions Board, they had exported nearly a billion dollars' worth —$296,505,257 in 1916, $388,213,553 in 1917, $260,711,751 in 1918. The total for the whole war period was $1,012,548,501, with contracts in hand which would largely exceed that figure, as a manufacturing total. In 1915 desperate efforts were being made to produce Fuses; at the beginning of 1918 Canada was turning them out at the rate of 2,750,000 per month and of such high quality as to win congratulations from the Imperial authorities. By this time the making of 16,000,000 boxes to carry munitions overseas had been carried out and the production of explosives such as cordite, T.N.T., acetone, methyl-ethyl and nitric acid steadily developed and maintained; large orders from the United States were on hand including 7,000,000 shells, 10,000,000 forgings and 2,000,000

cartridge cases; over 300 aeroplanes a month were being produced and large orders for steel ships were under way.

The Board in these months was spending $1,000,000 a day in Canada, and contracts had been given or were being worked out by 950 manufacturing firms. As the year 1918 passed on the work of the Board grew in volume and variety. National munition plants were put in operation at a cost of $15,000,000 in Montreal, Renfrew, Trenton, Toronto and Parry Sound, and in them powder and high explosives were made, fuses loaded, steel and forgings produced and aeroplanes built. These plants, under control of companies whose entire stock was held by the Board, were given their contracts by the Board at the same prices and on similar terms as the independent makers of munitions. Large quantities of fir and spruce were purchased at this stage in British Columbia, for aeroplanes, with 67 logging camps in operation. Dealing at this juncture with production, as it had been in 1917, the British War Cabinet declared that "the manufacturing resources of Canada have been mobilized for war production almost as completely as those of the British Isles" and added these detailed facts:

> 15 per cent. of the total expenditure of the Ministry of Munitions in the last six months of the year was incurred in that country. She has manufactured nearly every type of shell from the 18-pounder to the 9.2-inch. In the case of the 18-pdr., no less than 55 per cent. of the output of shrapnel shells in the last six months came from Canada, and most of these were complete rounds of ammunition, which went direct to France. Canada also contributed 42 per cent. of the total 4.5 shells, 27 per cent. of the 6-inch shells, 20 per cent. of the 60-pdr. H.E. shells, 15 per cent. of the 8-inch and 16 per cent of the 9.2-inch. In addition Canada has supplied shell forgings, ammunition components, propelants, acetone, T.N.T., aluminum, nickel, aeroplane parts, agricultural machinery and timber, beside quantities of railway materials, including no less than 450 miles of rails torn up from Canadian railways, which were shipped direct to France.

Ships to the value of $64,000,000 were put under construction by the Board; the operations at Shawinigan in producing calcium acetate, and acetic acid grew to large proportions and included cellulose acetate for aeroplane wings with important orders, also, from the United States; the number of contracts placed by the Board up to the end of May, 1918, totalled 6,420 and included orders for steel and wooden ships, locomotives, cars, aeroplane engines and boilers, raw materials, etc., as well as for munitions and their allied products. To speed up this enormous production and ensure the continuous supply of necessary raw materials, in addition to performing the multitudinous duties of the Board, a highly efficient organization had been built up, with a staff at Ottawa numbering 692 of which 50 per cent. were women. A great impetus was given to the production of copper and zinc with the special establishment of a copper refining plant at Trail, B.C., costing $2,500,000 and bringing production up to 50 tons a day; by July 31st from 50,000 to 80,000 tons of steel, and from 1,500,000 to 2,000,000 forgings were being handled monthly by the Imperial Munitions Board while, approximately, 2,100,000 tons of steel had been received and distributed by the Steel Department of the Board, resulting in the

shipment to machining plants, or to export, of 75,000,000 forgings for shells—of sizes ranging from 18-pounder shrapnel to 9.2. Up to the beginning of September, the operations of the Board were officially stated as follows:

Total number of shells produced	60,000,000
Number of components for which separate contracts were let	670,000,000
Steel used in this and other War material (tons)	1,800,000
Value of orders placed by British Government through Board	$1,200,000,000
Value of orders already executed	$1,000,000,000
Portion of this amount loaned by the Government and the Banks to the Board for the British Government	$600,000,000

Meantime, the shell boxes made between August, 1914, and Sept. 30, 1918, had reached a value of $26,000,000 with the 25 firms in existence at the first, increased to 200 and a great variety of cases manufactured; in the actual war contracts of the Board during this and the preceding year from 250,000 to 300,000 persons were engaged while 50,000 more men were handling supplies and rendering other indirect services. The National plants were, as the War came to a close, (1) loading live fuses and producing shrapnel forgings and machining 18-pounder H.E. shells; (2) producing nitrocellulose powder, gun cotton, and Tri-Nitro Tuluol; (3) making steel and forgings at which 60,000 6-inch forgings a week were produced; (4) producing acetone and methyl-ethyl; (5) making Cordite and cordite powder; (6) producing aeroplanes. In the production of these munitions by the end of the War 2,100,000 tons of steel had been used, of which 1,600,000 tons were produced in Canada, 73,600,000 copper bands, of which 23,000,000 were produced in Canada, and 29,000,000 Fuses, of which 19,000,000 were of local production. The complete figures of export, in quantities, were as follows:

Shells	65,343,647	Shell forgings	6,412,115
Fuses	29,638,126	Explosives; Chemicals (lbs.)	111,297,107
Fuse parts	16,174,073	Metals; Compounds (lbs.)	107,282,336
Cartridge cases	48,627,673	Lumber (feet)	53,327,107
Percussion primers	35,386,488		
Exploder containers	13,285,000		

In the management of this huge industry Sir Joseph Flavelle, as Chairman, had full authority and responsibility with the following members of a Board which was partly advisory, partly administrative: Brig.-Gen. Sir Alex. Bertram, (Vice-Chairman) Hon. H. R. Brand, representing the Board at the Ministry of Munitions, London; Col. D. Carnegie, Ordnance Adviser; G. H. Dawson, Brig.-Gen. W. E. Edwards, Toronto, Director of Inspection (Canada); F. Perry, Montreal, Financial member; J. A. Vaillancourt, Montreal, E. R. Wood, Toronto. The Asst. Chairman was Edward Fitzgerald, C.B.E., and the Auditor George Edwards. Sir Charles Gordon was representative of the British Ministry of Munitions in Washington. The Board was an integral part of the British Ministry of Munitions, directly responsible to the Minister, and the British Government was financially responsible for all its expenditure. In its

organization it was divided into Departments as follows: Shipbuilding; Explosives; Aviation; Engineering; Inspection; Administration; Legal; Labour; Insurance; Supply; Production; National Factories; Financial. These were subdivided into many branches and subsidiary departments. The Board acted as general and exclusive purchasing agent on behalf of the War Office, the Admiralty, the British Timber Controller, the Department of Aeronautics and the Ministry of Munitions. It also acted as agent for the U. S. Ordnance Department in arranging contracts for munitions and supplies placed by the U. S. Government in Canada.

Amongst the problems constantly before the Board was that of labour, and carefully-worded advertisements were a feature of the press in these years, appealing to the patriotism of workers to keep up the output and expend all possible energy in this vital work. Important, also, was the question of Electric power and, on Apr. 18th, it was found necessary to issue an Order-in-Council on recommendation of Sir Henry Drayton, Power Comptroller, dealing with the complicated conditions of supply at Niagara to United States munition plants, Canadian munition plants, contracts for industrial or lighting requirements in Canada, competitive contracts of the three Ontario Companies, etc. The necessity of further power for the Munitions Board was reviewed and a pooling of the resources and supplies of all the Companies ordered:

> I would treat the power produced by the three Companies on a common basis, the result of which would be to make power produced by the commercial Companies available not only for munition demand on their own lines, but also for munition demands on the lines of the Hydro. The Hydro's customers have already had severe cuts made in their power, and the urgency of the situation, as I see it, demands that power contracts which can be cancelled on the other systems should be cancelled, and the electrical energy thus saved made available for munition plants and plants engaged on Government orders, no matter where situated. The Order-in-Council now issued only contemplates that Companies give a priority to munition plants in the Companies' particular systems. I, therefore, recommend that a further Order be made extending this duty to any munition plants, no matter where situated.

After the Armistice the duty of the Board was to suspend operations in Canada with the least possible injury to the large and small interests concerned and the very large number of work-people involved. Under instructions from the Ministry of Munitions it was decided (1) to cease production at once of shells and explosives which were no longer needed; (2) to cease, gradually, the production of articles which might no longer be actually required by the Government but of which some other use could be made—metals and raw materials of various descriptions; (3) to leave existing contracts in operation for articles which were still likely to be required—commercial lumber and ships. In the first class about 50,000 persons were engaged; in the others the discharge of employees would be gradual as construction was finished and contracts completed. It was expected that other lines of industry would absorb these workers and such proved to be the case. Sir Joseph Flavelle had full charge of these demobilization arrangements and was guided largely

by similar procedure in England. It was estimated on Nov. 29th that the total British war-orders placed in Canada through the Board were $1,300,000,000 and those of the United States $400,000,000. On Dec. 3rd it was announced that the Canadian Government had received further credits for the British Government amounting to $200,000,000 and that this would be expended in Canada. While $50,000,000 of this would be utilized in winding up the business of the Imperial Munitions Board, the balance was to be expended upon foodstuffs and thus enure to the benefit of the agricultural community; figures published at this time, it may be added, showed that out of the total Empire production of Nitric Acid, Canada, under the management of the Board, produced one-quarter of the whole and at Trenton had the second largest producing plant in the Empire; that in T.N.T. Canadian plants produced 10 per cent. and in Pyro-Cotton—the basis for nitro-cellulose and cordite powders—Canadian production was 48 per cent. of the total British production; that in finished propellant powders Canada produced 36 per cent. and in Acetone practically the whole by this particular process.

A word must be said as to the Aeroplane industry, which sprang out of nothing into large proportions with one of the National plants of the Board producing 2,500 machines for training purposes, and, latterly, making bombing planes for the U. S. Navy. The organizer and President of the subsidiary concern operating under the Board —Canadian Aeroplanes, Ltd.—was Sir Frank W. Baillie and it was for this work that he was knighted. Like the other concerns working in this way the whole of the share capital was invested in the Munitions Board for the British Government; the initial operations of the Company began with an advance of $1,000,000 from the Canadian Government; building was commenced on Feb. 1st, 1917, and by April 30 eleven machines had been constructed; in October, 1918, the output was valued at $30,000,000 and consisted chiefly of the Canadian Curtiss and Avro machines. Two other independent concerns followed this into operation—the Willys-Overland, Ltd., and Curtiss Aeroplanes, Ltd. The latter's American Government contracts were cancelled on Nov. 14th and by Dec. 31st the work of the Munitions Board concern was suspended after the production of 4,000 planes.

In shipbuilding the Board launched between Jan. 1 and Dec. 31, 1918, a total of 23 steel ships and 45 wooden vessels with a deadweight carrying capacity of 253,463 tons. This work was done under great difficulties as to labour, with regard to supplies, and as to transportation; it worked through shipyards on the Atlantic and Pacific coasts and the Great Lakes; it spent $64,000,000, for which amount contracts were placed between Mch. 1st, 1917, and Mch. 1st, 1918. Of this expenditure Ontario received $19,240,000, and British Columbia $31,434,651; Quebec, $11,800,000, and Nova Scotia, $1,340,000; New Brunswick, $1,000,000. Wages were demanded by workers from $4.00 up to $7.70 per day together with an 8-hour day and some delaying strikes took place before matters settled

down. Another obstacle of the period was the shortage in steel plates owing to the war demands upon American steel production as well as Canadian; arrangements were made by the Government to meet it through construction of a steel plate mill at Sydney, N.S. As to ships the Hon. C. C. Ballantyne announced in the Commons on Apr. 4th that after current Imperial Munitions Board contracts had expired all the berths in the 14 shipyards would be utilized to the full in building steel ships for the Government.

Meanwhile, the direction of this great work had brought Sir Joseph Flavelle unstinted British appreciation of his business and financial services and a Baronetcy in recognition; on the other hand his policy and connection with Canada's largest packing interests—the William Davies Company—had brought him great unpopularity in Canada; the net result had been such a clouding of the public view as to obscure in Canada the merits of a war-work which was greatly admired in England. Continued mutterings were heard throughout the year, as food prices grew higher and higher, and the profits of the Davies and other Packing-houses increased or were supposed to increase. The direct result was a Government limitation of profits; an indirect one was a slowly rising tide of public feeling against a system of granting titles which would reward with hereditary honours a public man whose valuable war-work was not understood and whose personal unpopularity at the moment was so great. The personal side of the subject was debated in the Commons on May 2nd with a bitter speech by D. D. McKenzie, one of the Liberal leaders, in which he referred to Sir Joseph and his Company* as "grinding the faces of the poor and sucking the life-blood of the country"; and charged the Chairman of the Imperial Munitions Board with making a contract with the British Munitions Co., Ltd., under which he financially and personally benefitted through an alleged 5 per cent. commission. To this Sir J. W. Flavelle replied on the 3rd in explicit terms: "No member of the Imperial Munitions Board has any interest in any form in any of the national plants, which, to facilitate administration, were incorporated as limited liability Companies. The stock of all the Companies, including the British Munitions Co., is owned by the Imperial Munitions Board." In one case the Northern Electric Co. received 5 per cent. for the special services of its experts. In the House Edmund Bristol defended the Chairman of the Board at length and once more pointed out that the much-denounced Davies' profits on bacon were 2-5ths of one cent a pound on a heavy turnover.

In his Munitions work, meanwhile, Sir Joseph felt great pride. On May 20 he noted in connection with the British Columbia shipyard strike and current criticism that: "People overlook the fact that a huge body of men are at present giving their time absolutely without remuneration to the direction of these industries. The reward they get is un-informed criticism." On Nov. 25th a dinner

*Note.—See 1917 volume for origin of the controversy.

was held at the Chateau Frontenac, Quebec, to mark the closing of this really remarkable page in Canada's war record. Sir Thomas White, Hon. N. W. Rowell, F. A. Rolph, Toronto, General Bertram, J. A. Vaillancourt, F. Perry, Edward Fitzgerald, and others spoke. Sir Joseph Flavelle, in his speech, defended the manufacturers: "I have been unable to understand why there has been such a depth of feeling, so widely expressed, and apparently so commonly held, against the manufacturers in Canada who have made munitions. They accepted contracts to produce materials greatly needed for the War, at prices fixed by the Board, under contract conditions of the most arbitrary character. They have brought honour to Canada and great wealth and we owe them much." A cable from the Rt. Hon. Winston Churchill, Minister of Munitions, to Sir Joseph was read which declared that: "You have carried through a work of the greatest magnitude with uniform success and efficiency and I wish to pay my personal tribute to the great ability, energy and organizing power you, as Chairman, have shown." Mr. Lloyd George sent an equally strong message: "I am anxious to send you on behalf of myself and my colleagues in the War Cabinet our congratulations on the great work of the Imperial Munitions Board for three years, which has been of such signal assistance to the British Empire and to the Allied cause."

The Canadian Manufacturers' Association. This important organization represented all the chief industrial interests of Canada; had 3,389 members in 1918 and an income from Fees of $78,000; published an organ called *Industrial Canada* which upheld its interests in a most effective and dignified form. At the annual meeting in Montreal on June 12th, S. R. Parsons of Toronto, presided and delivered a thoughtful address which dealt with the economic conditions of the country, urged the coming together of farmer and manufacturer, employer and workmen, spoke for the Protection of national industries and declared that: "We are now in danger, especially on account of the propaganda of one section of our population, of failing to profit by experience, losing our balance, and blindly yielding to the demand for undermining that which has proved to be the great bulwark of our national, industrial, and commercial life." He repudiated Reciprocity talk as impossible and stated that Canada was not ready to place its interests and existence in the hands of the United States; declared that "the country must choose between a tariff with manufacturers, or free-trade without manufacturers" and urged a new and special policy:

> Manufacturers feel that the tariff could and should be changed, here and there, and be so amended that it would apply more scientifically than it does at the present time. For this and other reasons the manufacturers would like to see created what might be termed a 'Trade and Tariff Board'; such a Board to be composed of representative men of actual experience and wide knowledge of commercial conditions and whose broad outlook and vision would fit them particularly for the proper study of great questions so vital to our national interests; this Board to report to the Government from time to time their findings.

As to the war services of manufacturers he was explicit: "(1) Manufacturers have contributed more largely than any other class to the furnishing of men to the colours; (2) manufacturers in large numbers have entered into personal obligations with those of their men who may return as to giving them employment; (3) manufacturers have been called upon to assume greater

burdens of taxation than possibly any other class, and especially the farming community; (4) manufacturers have, perhaps more largely than any other class, contributed to all patriotic funds which have been launched; (5) no class has subscribed more liberally to all Government war loans, and in very many cases undertaken large obligations to do this; (6) no class has supported the farming community so much in helping to supply men for garnering the crops—in many cases paying the difference in wages over and above what the farmer contributed; (7) if it had not been for the manufacturers of this country the Allies would not only have been short of munitions, but the country would have gone bankrupt on account of the balance of trade against us.'' James A. Emery, New York, Hon. Walter Mitchell, Provincial Treasurer of Quebec, Professor A. B. Macallum, F.R.S., T. P. Howard of the Canadian War Mission at Washington, Sir John Willison, Hon. Frederic Nicholls, and others, addressed the Convention; and Roderick McKenzie of the Council of Agriculture, while placing the Farmers' view before the Association, was explicit in declaring that: ''Canada cannot get along without manufacturers, we realize that, but we have yet to be shown that in order that we may have manufacturers in Canada they must have Protection; and we farmers go further than that and say that any manufacture, any industry in Canada, that has got to have Protection to live, we are better without.'' Resolutions were passed in favour of:

1. Government action looking to the conservation of Canadian industry and trade after the War.
2. Appointment of manufacturers to the Industrial Research Council and co-operation with that body in equipment and maintenance of a Research Laboratory.
3. Development of plans—Dominion, Provincial and Municipal—for proper Housing accommodation, the holding of a Housing Conference and support to the work in this respect of the Conservation Commission.
4. Provincial Government action along lines of more efficient Fire Prevention.
5. Permission of the use of duty free (excise) alcohol for industrial purposes.

The Tariff Committee of the Association drew attention (1) to the effect upon Canadian industries of United States war embargoes which prohibited the export to Canada of various basic materials indispensable to essential Canadian industries; (2) to the fact that the Canadian Government had remitted duties on importations of various manufactured articles used by the ultimate consumer, whilst leaving duties in force against materials which must be imported for the successful manufacture in Canada of such finished products; (3) to the effect of this and other incidents or conditions as increasing imports from the United States during 1914 and 1918 from 410 to 802 millions while Canadian exports to the United States only grew from 200 to 434 millions. The officers elected were as follows:

President	(Winnipeg)	W. J. Bulman
1st Vice-President	(Montreal)	T. P. Howard
2nd Vice-President	(Toronto)	J. S. McKinnon
Treasurer	(Toronto)	J. F. Ellis
Chairman	Transportation Committee	W. R. Breyfogle
Chairman	Tariff Committee	L. L. McMurray
Chairman	Legislation Committee	S. Harris
Chairman	Insurance Committee	W. H. Shapley
Chairman	Hamilton Branch	H. H. Champ
Chairman	Prairie Provinces Branch	N. W. Warren
Chairman	Maritime Provinces Branch	W. S. Fisher
Chairman	Montreal Branch	C. Howard Smith
Chairman	Quebec Branch	Paul Hébert
Chairman	Toronto Branch	L. L. Anthes
Chairman	British Columbia Branch	William McNeill

On Mch. 14th a Manufacturers' deputation, headed by S. R. Parsons, waited upon the Government at Ottawa and urged that fiscal matters be looked at from a national and not sectional standpoint; protested against farm tractors being placed on the free list—unless at the same time raw materials used in the manufacture of tractors in Canada were admitted duty free; pointed out that if duties on implements had to be paid by farmers, it was equally true that manufacturers had to pay duty on the machinery they used—except that in the latter case a higher duty was collected; claimed that the average duty collected in the United States under the new Democratic schedules on dutiable goods was 30·67 per cent. and in Canada 23·78 per cent. The Toronto Branch on May 16th protested strongly against retroactive taxation: "When the Government adopts the policy of levying unanticipated, and therefore unprovided-for burdens upon the expenditures of the past, no business can face the future with certainty." On Sept. 4th the same body drew attention to the shortage in basic metal supplies and Major Anthes said: "The severe restrictions and embargoes placed upon Canadian manufacturers by the U. S. War Industries Board threaten to cut off the source of supply upon which a number depend to a large extent." Early in November the C.M.A. presented to the Labour Committee of the Government a series of suggestions as to after-war policy including:

1. Adoption of the Association's preceding plans for building up an export trade, and appointment of a Commission to survey the import trade.
2. A nation-wide publicity plan to educate people in the purchase of Canadian products.
3. The starting of all necessary construction work and investigation of the after-war utility of war plants.
4. Creation of Government employment Bureaux and Education of returned soldiers in advantages of farming.
5. Appropriation of $1,000,000 annually for encouragement of Research work and arrangements of conferences and agreements between manufacturers, representatives of employees and the Government, as to prices of industrial products.

On Dec. 4th, organized Labour and the Manufacturing interests joined in a joint memorial to the Government which advocated the appointment of a Bureau of Public Welfare; the establishment of a Bureau to take a survey of imports, and the refining and manufacture of Canadian raw materials in Canada; promotion of scientific and industrial research; establishment of a central Empire authority on Emigration; prompt commencement of necessary public works; co-operation between Dominion and Provinces in regard to Technical education; a forward Land Settlement policy; creation of Employment bureaux by the Provinces in co-operation with the Federal Government; adoption by the Dominion Government of a comprehensive scheme for the development of water-power. Meantime the Toronto Branch had, in September, formed a Labour Committee with Mr. Anthes as Chairman and an Export Committee with Senator Nicholls as Chairman; the Maritime Provinces Branch held a conference of business men at Amherst, N.S., on Dec. 11th with addresses by Sir John Willison, Watson Griffin, F. H. Sexton, and others.

The Canadian Reconstruction Association. In March, 1918, this organization was formed at Toronto with Sir John Willison as President, Lord Shaughnessy as Hon. President and an Executive composed of C. H. Godfrey, Montreal, W. K. George, Toronto, and W. J. Bulman, Winnipeg (Vice-Presidents); E. W. Beatty, K.C., W. A. Black, H. R. Drummond, and S. J. B. Rolland, Montreal; J. F. Ellis, Hon. Fred. Nicholls, T. A. Russell and H. D. Scully, Toronto; Sir Augustus Nanton, Winnipeg. A. N. Worthington was General Secretary and there were representative Central, Eastern and Western Committees. As to proposed work the Prospectus stated that: "Investigation will be made into the conditions of various industries, the markets which they

must supply, the wages paid to labour as compared with the wages paid in competitive industries elsewhere, and the relative charges for transportation. The Association will endeavour to assist in the extension and development of technical and general education. It will maintain a sympathetic attitude towards projects of land settlement, organizations to extend co-operation among rural producers and plans to improve rural conditions. It will give its support to movements—whether directed by leaders of labour or employers of labour—which aim at establishing fair working agreements between workers and employers and improving relations between labour and capital; it will seek to improve the position of women." As to Tariffs it was declared that the War might and possibly would bring new forms of taxation but that Customs' duties must continue to be the chief source of revenue: "It is doubtful if all the new forms of taxation that can be devised will meet the interest upon the War debt alone, to say nothing of Pensions and other heavy war obligations. Duties necessary to provide revenue will afford such incidental protection as should enable us to create and maintain new industries and take full advantage of all that we have learned during the War of processes of manufacture, stores or raw material, and requirements of oversea markets." The Platform of the organization was as follows:

1. To support a Tariff adequate to develop Canadian industries and to ensure employment for Canadian workers.
2. To create a good economic understanding between East and West and to show the necessity for industrial stability in order that excessive taxation may not fall upon farmers and workers.
3. To co-operate in movements to increase agricultural production and improve rural conditions.
4. To maintain national credit and to encourage investment in Canada.
5. To develop domestic and foreign trade and to promote necessary industrial organization.
6. To stimulate the development of national resources, to promote the utilization of Canadian raw materials, and to encourage final processes of manufacture in Canada.
7. To facilitate the adaptation of war industries to peace conditions and to ensure employment for war veterans and war workers.
8. To improve the relations between capital and labour and to emphasize the advantages of consultation and co-operation.
9. To encourage scientific research in the interests of Canadian producers and manufacturers.
10. To improve the economic and industrial position of women.

During following months Sir John Willison delivered a series of carefully worded, thoughtful addresses throughout the country—notably, in September, at Winnipeg, Regina, Moose Jaw, Calgary, Vancouver and Lethbridge, —based upon these principles and a distinct policy of conciliation between classes and interests; with also, a sympathetic appeal for better understanding and appreciation of national conditions. An industrial survey of Canada was undertaken and placed in the hands of S. Roy Weaver, M.A.; a Woman's Department did excellent educational work in respect to Reconstruction issues. During the year a vigourous educational campaign, also, was conducted with the circulation of 600,000 copies of pamphlets, leaflets, bulletins and other material, which explained the objects of the Association, urged particular policies of national reconstruction, or criticized other policies regarded as opposed to the public interest. Its publications were as follows: 1st Manifesto, May, 1918, 35,320; Platform, July 9, 10,100; A National Policy—Address by the President, Aug. 2, 38,550; Bulletin No. 1, Aug. 18, 1,500; A United Canada—address by Lord Shaughnessy, Sept. 13, 5,000; Bulletin No. 2, Oct. 25, 3,750; Industrial Relations, Oct. 28, 35,793; New Problems of the New Year—address by the President, Nov. 7, 51,150; Reconstruction in Great Britain, Nov. 7, 22,450; Women and Reconstruction, Nov. 22, 14,725; Con-

fidential Bulletin No. 1, Dec. 2, 500; Reconstruction in the United States, Dec. 9, 22,900; Confidential Bulletin No. 2, Dec. 27, 5,215.

The Association strongly opposed the proposed double taxation by the United States of Canadian branches of American firms. Great interest was taken in the United States Reconstruction Conference at Atlantic City on Dec. 3-6 and its proceedings were re-published for the benefit of members in the Canadian body. The Resolutions of interest to Canada urged (1) immediate revoking of all war-regulation of industry; (2) Protection for and maintenance of new and important industries; (3) endorsement of the Rockefeller creed as to Labour and industry;* (4) legislation for early return to the owners of all Railways under Government war operation; (5) construction of a great mercantile marine and its operation under American control; (6) co-operation with the Allies in solution of Reconstruction problems; (7) development of Foreign trade and special training of young men in this connection.

Fuel Shortage and Fuel Control in 1918. This issue, like that of food supplies, was vital to the conduct of war. Coal drove the industries of the country and the making of munitions, controlled the transport of war supplies and food products; it made all the difference between health and strength, or weakness and suffering, in the homes which stood behind the soldier. Canada had vast supplies of coal, but equally vast distances; its supply of miners was disproportionate to both the resources and the demand with 6,000 experienced men in Nova Scotia, alone, enlisting in the early part of the War; its labour troubles were especially acute in Western mining districts where the I.W.W. many times held up production and endangered war industries as well as local supplies. So, in other parts of the world as the War progressed and the mines of France remained in the enemy's hands, production lessened and the need increased. The following table shows the production of the Allies in the War years up to 1918:†

Country	Tons 1914	Tons 1915	Tons 1916	Tons 1917	‡Product of 1913
					Per cent.
United States	513,525,477	531,619,487	590,098,175	652,000,000	114·3
Great Britain	297,698,617	283,560,980	287,118,153	275,000,000	85·4
France	32,765,156	21,899,781	24,040,000	30,800,000	68·2
Russia	36,414,560	31,158,400	33,550,000	20,000,000	56·3
Belgium	19,000,000	15,691,465	15,000,000	15,000,000	59·5
Canada	13,637,529	13,267,023	14,483,395	14,046,759	93·5
Total	913,041,339	897,197,136	964,289,723	1,006,846,759	99:3

In 1917 the issue had been recognized in Canada as, at first, a local problem with need for action essential in order to prevent a fuel famine within the country and, on June 11, 1917, the Dominion Government had appointed C. A. Magrath, ex-M.P., as Fuel Controller with duties which at first were those of inquiry into conditions as to available supplies, probable consumption in the coming winter, sources from which outside supplies might be obtained, transport arrangements and co-operation in economy, etc., between producers, carriers and consumers. The Deputy Controller was C. W. Peterson of Calgary and the *personnel* of the staff was added to from time to time with H. P. McCue of Pittsburgh, U.S., as Assistant Fuel Controller for Canada in the United States, J. G. S. Hudson of the Mines Department, Ottawa, as Technical Adviser, with special voluntary assistance from H. V. Cann of the Bank of Ottawa and John Murphy, Electrical Engineer of Ottawa. Inquiries were followed by the acquisition of greater powers and Mr. Magrath became Controller in a very real sense; carried on negotations and made arrangements with the U.S. Fuel Controller; issued regulations and restrictions to meet

*Note.—See Page 327 of this volume.

†Note.—Figures compiled by Canadian Fuel Controller.

‡Note.—1913 is taken as the basic year in computing the percentages of production in other years.

the conditions of the 1917-18 winter and the United States crisis in transportation and production.

He did his best to increase production in Canada and succeeded, despite all difficulties of enlistments and strikes, in bringing up the total for 1918 to 14,979,213 or an increase of 900,000 tons. Labour and transport shortages made this result quite satisfactory yet Canada had available immense quantities of coal as the following official estimates of original resources indicate; Alberta, 1,182,571,708 net tons of Anthracite, 217,593,194,364 of Bituminous, 963,795,942,428 of Lignite; British Columbia, 670,628,188 net tons, 77,289,898,719 and 5,867,996,648 respectively; Saskatchewan, 65, 942,730,000 net tons of Lignite; New Brunswick and Nova Scotia, 10,881, 639,720 net tons of Bituminous. As a matter of fact the reserves of coal supplies in Canada, with its 8,000,000 population, totalled 1,360,535,000,000 tons of all kinds compared with 4,231,352,000,000 tons for the 100 million people of the United States. The problems of production, distribution, transport and price to be met by Mr. Magrath and his associates were, however, very great and explanations to the public were not always possible or desirable.

There was increased demand owing to the enlarged industries and this had to be made up by increased imports from a country which had added to its own requirements by 50,000,000 tons. The appointment of a capable representative in the United States was an important step and frequent conferences followed between Mr. Magrath and ,U.S. Controller H. A. Garfield; the total anthracite and bituminous coal shipped from the United States to Canada for the winter ending Mch. 31, 1918, was $17,331,177; eventually, for the 1918-19 winter, Canada was alloted 16,300,000 tons of bituminous coal and 3,602,000 tons of anthracite—the latter comparing with a distribution in 1916-17 of 4,081,600 tons. Besides the securing of this allotment of coal there was the task of maintaining co-operation with external American agencies—Government and trade—in face of continuous changes of policy and adjustments to meet emergencies in the United States. American fuel distributors in the Mining districts, American export licenses and control over coal movements, American exigencies of industrial and transport and terminal character, American "shutdown" orders and embargoes and "coal-less days" had to be met or co-ordinated with Canadian conditions.

Every possible means was taken to conserve or increase home production. Mr. Magrath in September, 1918, was appointed Director of Coal Mining Operations and was thus in a better position to deal with strikes; J. C. Watters was appointed his representative in the Maritime Provinces; early in 1917 W. H. Armstrong had been made Director in District No. 18, which was such a disturbed centre, and he did excellent work in Alberta and British Columbia during the balance of the war period. The difficulties of distribution under United States allotments and the complications of Canadian production were considerable and the approximate distribution for 1917—no figures are obtainable for 1918—illustrate what had to be done. During that year the Railways consumed 11,792,550 tons of bituminous coal; the leading industries took 4,556,704 tons of United States and 2,086,741 tons of Canadian coal; there was a domestic consumption of 6,819,058 tons; there was an import of 5,319,679 tons of anthracite—not included in the above figures. In view of the United States attitude as to distribution, and after a conference at Ottawa on Apr. 17, 1918 between representatives of Lignite producers and Western consumers and the U.S. Fuel Adminstration, it was found necessary to place the West upon a basis of 50 per cent. of its normal anthracite supply. Mr. Magrath at the same time went West and advised house-holders that they would have to stock up with Lignite coal, despite inconveniences, before they could purchase anthracite; eventually Winnipeg received 65 per cent. of its normal supply and the end of the War and a mild winter solved the problem. Meantime the following gentlemen had been appointed (1) by the Fuel Controller in 1917, as Hon. Provincial

representatives and (2) on Apr. 1, 1918, by their respective Provincial Governments as Fuel Adminstrators under the Fuel Controller:

Province	Hon. Representatives	Fuel Administrators	Headquarters
P. E. Island	J. A. Macdonald	J. A. Macdonald	Cardigan
Nova Scotia	Hon. R. G. Beazley	R. H. MacKay	New Glasgow
New Brunswick	Dr. James H. Frink	Dr. James H. Frink	St. John
Quebec	Hon. Alphonse Racine	Hon. Alphonse Racine	Quebec
Ontario	R. C. Harris	R. C. Harris	Toronto
Manitoba	George W. Allan, K.C.	Thos. R. Deacon	Winnipeg
Saskatchewan	J. B. Musselman	T. M. Molloy	Regina
Alberta	John T. Stirling	John T. Stirling	Edmonton
British Columbia	Nichol Thompson	Nichol Thompson	Vancouver

Later, in 1918, H. M. Marler succeeded the late Mr. Racine in Quebec, R. Home Smith and E. L. Cousins (Assistant) were appointed for Ontario and J. A. Macdonald in Manitoba. A vast number of municipal or local Fuel Commissioners were appointed throughout the country to aid in developing a demand for coal substitutes such as wood and coke and of bituminous for anthracite and to stimulate production and conservation. Mr. Magrath's policy as to prices was to interfere as little as possible with the business of coal dealers beyond encouraging them to get a sufficient local supply. In his final Report to Hon. A. K. MacLean, Acting Minister of Trade and Commerce, the Fuel Controller said on this point: "It was impossible to fix a definite price to consumers on either anthracite or bituminous coal, owing in the first place to the wide variation in the prices at the mines, whether American or Canadian; secondly, to the many different routes over which this coal might be moved, whether by rail or water; thirdly, to the variety of trade channels it might follow; and, lastly, to the widely varying conditions in different localities with respect to handling and delivery. The principle finally adopted in regulating prices was that of allowing dealers a reasonable profit above the actual cost of the coal, together with handling, overhead expenses and fixed charges. The amount set as a limit to this profit was, in the case of wholesalers, 35 cents per net ton, and in the case of retailers, 50 cents per net ton. Brokers, on the other hand, were allowed a straight commission charge of 30 cents per net ton, out of which all overhead and other expenses were to be defrayed. As previously indicated the operators' prices were fixed at the mines."

The importers of coal were placed under license from Apr. 1, 1918, and the fees collected totalled $59,563 with a net cost of operations for the Fuel Control Department of $114,000. Early in 1918 Heatless days were organized when offices and stores were closed from Rivière du Loup to Fort William; so with theatres and other places of amusement at specific periods and with restrictions upon Club-Houses. Appeals were made for economy in the use of gasoline, and motor-cars were discontinued under voluntary action upon Sundays over a given period; the use of gas for advertising or ornamental purposes was prohibited and so with electrical light; a preference was ordered for electric power in munition plants; production of non-essential industries using coal, etc., was restricted and various plants closed down—musical manufacturers, for instance, receiving 70 per cent. of their pre-war supply of coal; railway consumption was modified and organized under the Railway War Board and electricity used wherever possible with an estimated saving on railways, alone of 1,000,000 tons in 1918; a vigourous propaganda for conservation was carried on *via* telegraphic despatches to the press, newspaper articles, posters, pamphlets, circulars, bulletins, and lantern slides used in moving picture houses. Fuel control was not terminated until Mch. 31, 1919 and, at the close of 1918 (Dec. 5), an Order-in-Council was approved which confirmed or enlarged the powers of the Controller while regulations were issued continuing war-time powers and re-establishing maximum prices, etc. The net result of the whole policy and action of this body, in co-operation with other interests and the people at large may be seen in the following table:

Calendar Years	Imports		Production less Exports	Consumption
	Anthracite	Bituminous		
1913	4,612,057	13,559,896	13,383,592	31,585,545
1914	4,435,010	10,286,047	12,131,266	26,852,323
1915	4,072,030	9,046,331	11,440,790	24,559,151
1916	4,574,214	13,289,830	12,285,253	30,149,297
1917	5,220,688	17,219,824	12,266,275	34,706,787
1918	4,782,568	17,274,486	13,040,270	35,097,324

Incidents of the year included the great shortage of coal in January which affected industrial, transport and domestic interests and held up something like 1,000,000 tons of shipping on the Atlantic coast of the United States and Canada; a continued discussion of the commercial utility, or otherwise, of Peat and the estimated existence of 26,000,000 tons within easy shipping distance of Toronto and 23,000,000 tons near Montreal—enough, according to Prof. R. Wilson Smith, to make central Canada independent of American coal and with a total area in the Dominion of 37,000 square miles; the co-operation of the Ottawa Department of Mines and the Ontario Government in testing the commercial and heating values of peat as a fuel—an inquiry afterwards held up because of machinery shortage and other war reasons; the arrangement between Dominion and Western authorities to manufacture a special fuel from lignite and construction of a plant in Saskatchewan for this purpose; the publication in June of a Report by the Advisory Council on Industrial Research as to the briquetting of Lignites—upon which the above action was based—which indicated important conclusions favourable to that project and with general views as follows:

(1) The fuel resources of the Dominion of Canada are second only to those of the United States, the greatest coal country in the world.

(2) In spite of this fact, Canada imports at present, and always has imported, 50 per cent. of her fuel from the United States and Canadian efficiency in this regard is, therefore, about 50 per cent.

(3) Under these conditions the problem must be attacked, preferably by the Government, and not by isolated commercial agencies working in competition with each other.

(4) There is in Canada an immense area whose coal requirements are met from American sources and the Province of Saskatchewan is the balancing point for fuel from the east and from the west, and for this reason fuel prices are the highest, although underlying a great part of this Province are immense deposits of lignite awaiting use.

(5) It is therefore recommended that the attack on the fuel problem be concentrated first on the production of domestic fuel from the lignites of Saskatchewan.

As the year passed on Mr. Magrath issued various warnings to the West as to the coming shortage—should the winter of 1918-19 be as severe as the past one—and on Aug. 14 declared that he could not be responsible unless there was immediate and concerted action in obtaining supplies for individual interests; the Manitoba *Free Press* and the Regina *Leader* issued large special editions dealing with the crisis and urging increased Western production; by Sept. 12 J. T. Sterling, Provincial Fuel Administrator, was able to say that the Alberta miners were working full time and that the Province was well stocked with fuel; in Ontario on Oct. 2nd it was estimated that consumers of coal would receive 70 per cent. of their anthracite requirements; a part of the press criticized the 965 tons requirement of Government House, Toronto, and suggested its closure for the winter; as to Canada, generally, the coal shortage was placed at 500,000 tons, that of the United States at 50,000,000 and of Great Britain at 15,000,000. Much discussion and anxiety resulted. The churches in Toronto were urged to use less coal and the dangers from influenza in under-heated buildings was emphasized; following the Peace

this Department, employed during the year 875 persons and had 17 district offices in the larger centres with Medical examiners on the staff of each office; the Pensions awarded were divided into 20 classes of differing disability and lasted until the disability ceased and they applied also to dependents of soldiers dying on service or having injuries or disease contracted or aggravated while on service. The Commission had exclusive jurisdiction and there was no appeal from its decisions; the scale of Pensions was higher than in any of the Allied Armies and the total awarded to Nov. 30, 1918, was $6,012,846 to 38,767 persons as disability pensions and $7,433,346 granted 14,719 dependents. The Board comprised J. K. L. Ross of Montreal and Major J. L. Todd, while later on Lieut.-Col. J. T. C. Thompson, K.C., D.S.O., of Ottawa was appointed to the Board; there was some friction during the year between Mr. Ross and the Civil Service Commission which was given control over appointments to the Staff and Mr. Ross resigned in the middle of September but the matter was ultimately adjusted.

With the coming of the Armistice all the reconstruction and demobilization problems came to a head with the latter, however, in the hands of the Militia Department up to the stage of re-assumed civilian conditions; the Soldiers' Land Settlement plans were in charge of the Interior Department. As to Reconstruction in its larger phases Government action had been taken along the lines of (1) Establishment of a Canadian Trade mission in London, to secure for Canada its share of European orders; (2) large orders placed for steel rails and large quantities of railway equipment arranged for; (3) decision made to go full steam ahead on the Canadian shipbuilding programme with $65,000,000 appropriated for the coming year; (4) a big agricultural production campaign started and a national Hydro-electric policy planned; (5) necessary public works started and plans formulated by which employers and employees could more closely co-operate. On Nov. 14, an Order-in-Council created a Cabinet Committee composed of Sir James Lougheed, and Hon. Messrs. Rowell, Crerar, Robertson, Meighen and Calder with the latter as Chairman and charged it with the duty of securing the closest co-operation amongst all the Departments of the Government and other agencies then existing, or that might thereafter be created, for the purpose of dealing with (*a*) the absorption into civil life and occupation of discharged soldiers; and (*b*) industrial labour conditions which might arise from industrial dislocation and re-adjustment.

At the same time H. J. Daly of Ottawa, an able representative of executive industry, was appointed Director of Repatriation and Employment with Vincent Massey of Toronto, as Secretary. To the public Mr. Daly appealed for help as follows: "In our efforts to re-adjust conditions to a better basis we want the assistance of religious, social, fraternal, business, educational, and all other classes of organization. We want them to help as freely now as they did during the War—even going to the extent of submitting to direction

when same is necessary. Such organizations are the agencies to create a community atmosphere of contentment; and they were never so much needed as they are to-day." In succeeding months he described conditions and proposed adjustments in varied press advertisements and by other ways of publicity. Assisting him were Co-ordinating and Advisory Committees representing various interests. On Dec. 2 a conference was held between the Secretaries of the Provincial Soldiers' Aid Commissions, and the officials of the Department of Soldiers' Civil Re-establishment and various problems discussed. Meantime, on Nov. 29, a joint Committee representing the Canadian Manufacturers' Association, the Trades and Labour Congress and a Committee on Technical Organization had held a meeting at Ottawa and submitted to the Government a Series of recommendations which included the following:

1. Immediate establishment of a Bureau of Public Welfare to deal with such matters as health, sanitation, town planning, housing plans, accident prevention, etc.
2. Organization of a permanent representative Bureau to take a survey of imports with a view to ascertaining what part of such imports can be avoided. Particular attention to be paid to the classification of the Customs tariff.
3. Continuance of policy looking to raw materials leaving Canada in as advanced a stage of manufacture as possible.
4. Increase of appropriation for Scientific and Industrial Research to $1,000,000 annually.
5. Establishment of a central Empire authority on emigration for supplying information to parties intending to emigrate.
6. Pressing necessary public works, Dominion encouragement of Technical education, working out of a practical Land Settlement scheme, establishment of a chain of employment bureaux and adoption of a fixed water-power development policy.

The Report was signed by Tom Moore, A. Martell, T. A. Stevenson, Calvin Lawrence, H. J. Daly, Major L. L. Anthes, G. M. Murray and other representatives of labour and industry. Other incidents included the appointment of A. W. Campbell to report upon the part which the Government and its Reconstruction Committee could take in the improvement and construction of highways; an address by Sir John Willison at London in which he urged resumption of work on the Welland Canal, development of Hydro-electric power and Municipal housing construction; the estimate by Mr. H. J. Daly on Dec. 17 that 30,000 wives or widows of Canadians who had married overseas were coming to Canada; the official statement that 105,000 soldiers wanted to settle on the land, that $14,000,000 worth of Dominion school lands in the West had been sold during 1918 and that the returning soldiers would have a total in allowances and deferred pay of $30,000,000 to expend; the retirement, on Nov. 15, of F. B. McCurdy, M.P., from the Chairmanship of the Invalided Soldiers' Commission and of S. A. Armstrong as Deputy Minister of Soldiers' Civil Re-Establishment—with the appointment of Lieut.-Col. F. P. Healey to the latter post and of T. A. Stevenson and Major L. L. Anthes of Toronto as an Advisory Committee.

Meantime there had been discussion in connection with some of the Hospitals. There were in April 4 recognized military institutions in Toronto, one each in London, Hamilton, Kingston, Ottawa, Cobourg, and Quebec, 2 in Montreal and in Halifax, one each at Sydney, Charlottetown, St, John and Fredericton, 2 in Winnipeg, one each at Port Arthur, Regina, Moose Jaw, Calgary, Edmonton and Wetaskiwin, one each at Victoria, Qualicum, B.C., Vancouver, New Westminster and Vernon. There were others of various degrees and character—convalescent, tuberculosis, etc., to a general total of 78; of this total 51 were transferred to the new Department and 27 left in charge of the Hospitals Commission. Others were under way and many improvements were effected during the year with Factory branch arrangements made at various points in respect to artificial limbs. In October the Militia Department authorized formation of a Women's Aid Department for service in the Hospitals and at this time there commenced an inquiry into conditions at the Base Hospital in Toronto which had resulted from over-crowding at the time of the Influenza epidemic.

Dr. Hastings, M.H.O. Toronto, testified that the building itself was obsolete and unfit for use; of 1,160 patients treated for the malady 53 had died. The death of Capt. the Rev. Roy Kain occurred under circumstances which aroused much public sympathy and criticism of the institution; the representations of Brig.-Gen. W. A. Logie, C.O.C., at Headquarters, Ottawa, the attitude of Maj. Gen. J. T. Fotheringham, Brig.-Gen. G. C. Jones and the Militia Department, came in for discussion; on Oct. 29 Mayor T. L. Church wrote to the Prime Minister describing "the deplorable lack of Hospital accommodation in this District" while a new and large institution was being planned for establishment at Rosedale; the Jury in charge of the public investigation visited the Base Hospital on Oct. 31 and on Nov. 7th announced its verdict—the immediate subject being the death of Cadet Davidson, R.A.F. The verdict declared that: "We find, and strongly censure, the Military Medical Council of Ottawa for not providing better hospital accommodation for soldiers after four years duration of war. We also strongly condemn the Council for the over-crowded condition of the Base Hospital building, as unsuitable for hospital purposes." This was the one case of serious criticism out of the whole number of 78 institutions.

The Union Parliament; 1st War Session and Hereditary Titles Discussion.

In the early months of the year election returns coming in from the 1917 Soldiers' vote abroad continued to change the membership of the House and to increase the Government majority; in Halifax Hon. A. K. MacLean and Mayor P. F. Martin were returned by acclamation. Final local returns had elected Hon. Frank Oliver in Edmonton but the soldiers' vote later on defeated him by 2,700 and elected Brig.-Gen. W. A. Griesbach; the same vote defeated G. W. Kyte, L. H. Martell, H. J. Logan and other

Liberals in Nova Scotia and elected Hon. E. N. Rhodes (Cons.) in Cumberland; changes were made in other constituencies including two in P. E. Island and one in South Perth and in Nipissing, Ontario; in many cases majorities were greatly altered with 88 per cent. of the military and naval vote, overseas, finally shown as in favour of the Union Government which faced Parliament with a majority of 69. According to the Winnipeg *Free Press* of Mch. 2nd there were in Sir Wilfrid Laurier's following of 82 members only 16 Protestants, while in the Government following of 151, only a half dozen were Roman Catholics, and only one, Dr. Chabot of Ottawa, was a French-Canadian. In the Opposition there were only 21 members whose native tongue was English. There were no Labour members. Of the members-elect 73 were barristers, 23 physicians, 39 farmers, 23 manufacturers, 22 merchants and 17 brokers.

The 1st Session of this 13th Parliament was opened on Mch.18 by Rt. Hon. Sir Charles Fitzpatrick, Chief Justice, and Deputy of the Governor-General, with a Speech from the Throne which referred to War conditions; promised adequate re-inforcements to the Canadian Corps and described legislation as necessary in order to provide for all Civil Service appointments upon the sole basis of merit; declared the Government's belief in the necessity of a strong and progressive policy of immigration and colonization accompanied by suitable provisions to induce settlement upon the land, to encourage agricultural production and to aid in the development of agricultural resources; pledged the Government to provide for the training and care of returned soldiers, the prevention of excessive profits in certain industries and the enfranchisement of women; promised a consolidated Railway Bill and others respecting Daylight Saving, taxation of war profits and incomes, etc.; mentioned the Prohibition measure with a view to conserving to the fullest extent all national resources during the War and in furtherance of Provincial enactments, and promised a complete Registration of Canadian manhood. The Hon. Edgar N. Rhodes was again elected Speaker and George H. Boivin, K.C., as Deputy Speaker with William Barton Northrup M.A, K.C., ex-M.P. appointed Clerk of the Commons in place of Thomas B. Flint M.A., D.C.L., retired. The Address was moved by H. M. Mowat, K.C., Toronto, and Dr. J. L. Chabot, Ottawa, and was agreed to without division after brief speeches by the Premier and Sir W. Laurier. The following were the chief debates or discussions of the Session:

House of Commons	Introduced by	Dates
Speech from the Throne	Herbert M. Mowat	Mar. 18-19
Argyll House	Rt. Hon. Sir Robert Borden	Mar. 21
Woman Suffrage	Rt. Hon. Sir Robert Borden	Mar. 22
Restriction on Sale of Securities	Hon. Rudolphe Lemieux	Mar. 25
Daylight Saving Act	Rt. Hon. Sir George Foster	Mar. 26
Food Control	Rt. Hon. Sir Wilfrid Laurier	Mar. 27
Quebec Riots	Rt. Hon. Sir Robert Borden	Apr. 2
Quebec Riots	Lieut.-Col. J. A. Currie	Apr. 4-5
Oleomargarine	J. E. Armstrong	Apr. 3
Prevention of Fuel Shortage	Hon. Rudolphe Lemieux	Apr. 3
War Orders-in-Council	Rt. Hon. Sir Robert Borden	Apr. 5

Steel Shipbuilding in Canada	Hon. C. C. Ballantyne	Apr.	4
Railway Equipment and Materials	Hon. J. D. Reid	Apr.	9
Hereditary Titles in Canada	W. F. Nickle	Apr.	8
		May	21
War Grant, $500,000,000	Rt. Hon. Sir Robert Borden	Apr.	9
Civil Service Act Amendment	Hon. A. K. Maclean	Apr.	12
		May	11, 13, 17
Canadian Fuel Deposits	J. E. Armstrong	Apr.	15
Meat and Canned Foods Act	Hon. T. A. Crerar	Apr.	16, 23
Dominion Bureau of Statistics	Rt. Hon. Sir George Foster	Apr.	16
Military Service Act Amendment	Rt. Hon. Sir Robert Borden	Apr.	19
Alien Labour in Canada	H. S. Clements	Apr.	22
Organization of Employment Offices	Hon. T. W. Crothers	Apr.	23
The Flax Industry	S. F. Glass	Apr.	29
The Budget	Hon. A. K. Maclean	Apr.	30
		May	1, 2, 3, 6, 7, 8
Canadian Northern Railway	Hon. A. K. Maclean	May	3, 10, 14, 16
Civil Service Act	Hon. A. K. Maclean	May	10, 11, 13, 17
A French-Canadian Brigade	Hon. A. K. Maclean	May	14
Railway Situation in Canada	Rt. Hon. Sir Robert Borden	May	15
Yukon Election	T. M. M. Tweedie	May	16, 21, 23
Statement of Minister of Railways	Hon. J. D. Reid	May	17
Soldiers' Votes in 1917	A. B. Copp	May	22
Pensions	Hon. N. W. Rowell	May	23
Canada and the War	W. F. Maclean	May	14
War-time Elections Act	Hon. F. B. Carvell	May	23

The Senate	Introduced by	Dates
The Governor-General's Speech	Hon. D. O. L'Esperance	Mar. 19, 20
Railway Act Consolidation Bill	Hon. Sir James Lougheed	Mar. 22
		Apr. 8, 9, 10, 11, 15, 16, 17, 18, 19, 22, 23, 25
Canadian Northern Railway System	Hon. J. P. B. Casgrain	Apr. 8
		May 21
Daylight Saving Bill	Hon. Sir James Lougheed	Apr. 10, 11
Supreme Court Amendment Bill	Hon. Sir James Lougheed	Apr. 11, 12
Shipbuilding in Canada	Hon. J. S. McLennan	Apr. 12
		May 8
Military Service	Hon. Sir James Lougheed	Apr. 18, 19
Dominion Lands Act Amendment Bill	Hon. Sir James Lougheed	Apr. 22, 25
Mobilization of Labour	Hon. Frederic Nicholls	Apr. 24
Meat and Canned Foods Bill	Hon. Sir James Lougheed	Apr. 26
Women's Electoral Franchise Bill	Hon. Sir James Lougheed	Apr. 29
		May 2, 8
Trade Conditions after the War	Hon. Frederic Nicholls	Apr. 30
German Trade Identification Bill	Hon. George Lynch-Staunton	May 1, 8, 9
Dominion Elections Act Amendment	Hon. George H. Bradbury	May 6
System of Granting Divorce	Hon. W. B. Willoughby	May 10
The Hudson Bay Railway	Hon. J. P. B. Casgrain	May 15
Case of Charles Desjardins	Hon. L. O. David	May 15
Income War Tar Bill	Hon. Sir James Lougheed	May 22
Canada's Memorials of the War	Hon. N. A. Belcourt	May 23

The legislation of the Session included measures confirming and enforcing Prohibition as approved by the Provinces, promoting Ship-building development, controlling excessive profits in certain industries, consolidating Railway Acts, amending and increasing taxation of war Profits and Incomes, bringing the Outside Service under the Civil Service Act. Hon. A. Meighen carried a measure withdrawing pre-emption entry on Dominion lands in Western Canada; the Premier obtained a vote of $500,000,000 for further War effort; Sir George Foster was sponsor for the Daylight Saving Bill and carried it despite the opposition of the farmers; Sir Robert Borden carried the Women's Franchise Bill which gave a vote to every woman who was a British subject of the full age of 21 and upwards, who had resided in the constituency in which she sought to vote for a period of at least three months preceding the issue of the writ for the election, and who was not disqualified on account of

race, blood or original nationality to vote at elections for members of the Legislative Assembly of the Province in which her constituency was situated. A measure was passed providing salaries for the Ministers of Overseas Military Forces, Immigration and Colonization, Soldiers' Civil Re-establishment and the Secretary of State for External Affairs.

The Secret Session of Apr. 17th was followed by approval of the Government Order removing exemptions and providing for 100,000 more recruits; the passage of the Revised Railway Act Bill was followed by the Senate's action in rejecting certain clauses which took away priviliges granted to the Toronto and Niagara Power Co. in 1902; Hon. C. J. Doherty carried a Criminal Code amendment which raised the female age of consent from 16 to 18 and the male age for prosecution to 18 years with a series of other clauses looking to greater moral restrictions, but it was thrown out by the Senate; a Government Bill granting power to deal with C.N.R. indebtedness was approved and, by special declaration after debate and three divisions, on May 22, Dr. Alfred Thompson was seated for the Yukon. Other matters of the Session included a vote of $5,000,000 for Halifax relief, the defeat of Sir Wilfrid Laurier's proposed repeal of the War-time Elections Act by 74 to 53, the fierce attack by Hon. C. Murphy upon Hon. N. W. Rowell. Bills were passed re-arranging certain Public Departments, constituting the Immigration and Colonization and Soldiers' Re-establishment Departments, amending the Supreme Court Act, establishing a Dominion Bureau of Statistics, adopting the British Naval Discipline, amending the Meat and Canned Foods Act and Animal Contagious Diseases Act, compensating Government Employees under certain conditions, organizing Labour Bureaux, amending the Fisheries Act and the Inspection and Sale Act, granting Zinc bounties and providing for retirement of Aged and Infirm Civil Servants. Parliament was prorogued on May 23 by H. E. the Duke of Devonshire in a speech which referred to war conditions and reviewed the chief items of legislation.

The most debateable and contentious action of the Session was that relating to Hereditary Titles. The movement originated in popular dissatisfaction over one of the recent hereditary honours accorded to Canadians; it developed force out of current conditions of social unrest and was aided by a feeling that the rumoured selection of more than 300 appointees to different divisions in the new Order of the British Empire was making Honours too common; it was helped by a certain war psychology which marred the judgment of individuals and was aided by the persistent Americonization of Canadian democracy; it was urged by some Canadians who desired to hold all the rewards for Canadian effort or achievement in and from Canadian sources; it found an exponent in W. F. Nickle, an independently-minded, ultra-democratic, member of Parliament; it had strong support in a part of the press and public which had come to think titles were undemocratic; it faced a situa-

tion in which the mass of the people were either indifferent or undecided and without any active leadership against the movement. The announcement that Mr. Nickle was going to move in the matter aroused a discussion which was more or less one-sided. There was no party spirit stirred up in the matter and few Conservatives took alarm at this threat to a one-time cherished British institution; individuals who were opposed to action were afraid to move lest they be charged with wanting a title, or with supporting an Aristocracy; the anti-British element who seized on the movement as striking indirectly at Monarchy as the constitutional fountain of Honour and a British Empire institution, or who secretly favoured republicanism, concealed their motives under the camouflage of democracy.

There was no logical line of argument. The ordinary Imperial title of Knighthood and Hereditary honours were jumbled up in the discussion; a Canadian Honourary Colonel, or the wearer of a designation of "Honourable" to which, perhaps he was not entitled after retiring from some position to which it had pertained, supported abolition of British honours in Canada with vigour; no objection was taken to military honours though they were essentially a class distinction and equally British; no exception was taken to ecclesiastical and legal titles though they certainly were not democratic in this new sense. Gradually, however, the discussion for the moment centered on the hereditary principle and the British Empire Order with papers such as the Toronto *Globe,* Toronto *Star,* Halifax *Chronicle,* the *Grain Growers' Guide,* the Toronto *Weekly Sun*—which latter refused to recognize any British titles in Canada—joining in the agitation. On Mch. 15 a list of honours in the new Order of the British Empire for Australia, New Zealand and South Africa appeared in London with the intimation that, at the desire of the Canadian Government, the submission of a list to His Majesty for the Dominion of Canada had been postponed.

Meantime, J. H. Burnham, (Cons.) Ernest Lapointe, A. R. McMaster and Hon. W. S. Fielding (Liberals) had all intimated a desire to move by Resolution against titles but W. F. Nickle (Cons.) obtained precedence for a proposed Address to the King "praying that your Majesty hereafter may be graciously pleased to refrain from conferring any hereditary titles upon your subjects domiciled or living in Canada, or any title or honour that will be held or can be used by, or which will confer any title or honour upon any person other than the person in recognition of whose services the honour or title has been conferred," which was debated on Apr. 8. Mr. Nickle's speech reviewed and utilized all the arguments familiar to students of extreme English Radicalism; combined with this was an interesting inter-mixture of American republican principles and the frank admission that in certain meanings of the word he, himself, was a Socialist.

A. R. McMaster, in seconding the Resolution, depicted the poss-

ibilities of an hereditary aristocracy in Canada and pointed to Lord Beaverbrook in quite unveiled terms of criticism. Sir Robert Borden made a careful speech pointing out that the abolition of titles or aristocracy would not abolish the plutocracy of wealth to which reference had been made; dealt with the reality of democracy in Britain despite the unavoidable existence of classes; went into the constitutional aspect of the question and pointed out the recognized right of the Canadian Government to recommend persons for Imperial Honours—under an Order-in-Council of Feb. 19, 1902 and a British reply from Mr. Chamberlain of Apr. 23, 1902—as to political services, but, in all other respects, subject to the final authority of the Colonial Secretary; astonished the House by stating that the Government had, through an Order-in-Council of Mch. 25, 1918, and on recommendation of the Prime Minister, submitted to the Secretary of State for the Colonies the request that:

1. No honour or titular distinction (saving those granted in recognition of military service during the present War or ordinarily bestowed by the Sovereign *proprio motu*) shall be conferred upon a subject of His Majesty ordinarily resident in Canada except with the approval or upon the advice of the Prime Minister of Canada.
2. The Government of the United Kingdom shall exercise the same authority as heretofore in determining the character and number of titles or honours to be allocated to Canada from time to time.
3. No hereditary title of honour shall hereafter be conferred upon a subject of His Majesty ordinarily resident in Canada.
4. Appropriate action shall be taken, whether by legislation or otherwise, to provide that after a prescribed period no title of honour held by a subject of His Majesty now or hereafter ordinarily resident in Canada shall be recognized as having hereditary effect.

The Premier also stated that the Order-in-Council was made public with the consent of the British Government upon the understanding (1) that they had had no time as yet to consider it and (2) that no action would be taken contrary to its requests until such consideration was possible. Sir Wilfrid Laurier followed and went further than the Prime Minister: "Is there any reason why there should be the bestowal of titles of any kind in Canada? Everybody will, I believe, agree that in Canada badges, titles, honours and trappings will never take root. We are a democratic country; we have been made so by circumstances." If, he added, a group of others would join him: "I am quite prepared, if we can do it without any disrespect to the Crown of England, to bring our titles to the market-place and make a bonfire of them." Others spoke briefly along similar lines—Hon. N. W. Rowell, J. H. Burnham, E. Lapointe, R. L. Richardson, Levi Thompson, Hon. R. Lemieux, Hume Cronyn and Hon. W. S. Fielding. The only defender of the much attacked British aristocracy, as having done great service to the nation, was Sir Sam Hughes; the mass of the Conservative party remained absolutely silent.

The debate was adjourned to May 21, when R. L. Richardson moved the elimination of the word "hereditary" from the 3rd paragraph, above, which would have meant a request to confer no

more titles of any kind in Canada. This the Premier opposed and announced that in future the specific reasons for bestowal of any honours would be made public; Sir George Foster delivered an eloquent speech and referred to honours springing from the Empire and rooted in its glorious past. Others followed along the lines of the preceding debate—Hon. A. L. Sifton, J. J. Denis, R. J. Manion, Hon. C. Murphy, W. A. Buchanan, Dr. H. P. Whidden—and all of these were Liberals. Hon. Martin Burrell and Donald Sutherland were two Conservatives who spoke mildly, F. F. Pardee (Lib.) defended titles given for a national cause, R. H. Butts, (Cons.) was favourable in a similar way.

But there was no sustained argument along this line and Sir Robert Borden, just before the vote which endorsed his amendment to the amendment—involving the conferment of titles only in accordance with the Order-in-Council of Mch. 25—by 104 to 71, made this declaration in the House: "I can only say, so far as I am concerned, that if the House does not propose to accept the course which I have asked them frankly and with much respect to take, I should consider that I am relieved from my duty of carrying on any longer the Government of this country." Such was the result of a debate which was not a debate but, on the whole, a one-sided presentation of a subject as to which the country had expressed no opinion. Voices here and there contended, however, that ordinary Honours from the Crown were rewards fitting for National service, that they were a part of British connection and a natural product of the Monarchical system; that they helped to differentiate the Canadian form of democracy from that of the United States; that they were a dignified feature of social life, a reward for and encouragement of Patriotic work in Canada, a world-recognized form of national distinction. Meanwhile, and during the year, many hundreds of Military honours were conferred and from time to time some civilian or partially military titles as follows:

P.C.	Sir Louis H. Davies	Chief Justice of Canada
P.C.	Hon. Lyman P. Duff	Supreme Court of Canada
P.C.	Lord Beaverbrook	Member of the British Government
K.B.E.	Frank Baillie	Director of the National Aeroplane Factory
K.B.E.	Arthur H. Harris	Director of Canadian Overseas Transport
K.C.M.G.	His Honour F. S. Barnard	Lieut.-Governor of British Columbia
C.M.G.	Rudolphe Boudreau	Clerk of Canadian Privy Council
K.B.	William J. Gage	Founder of National Sanitarium Association
K.B.	Maj.-Gen. D. A. Macdonald, C.M.G., I.S.O.	Quartermaster-General of Canada
K.B.	Admiral C. E. Kingsmill	Director of Canadian Naval Service
G.C.M.G.	Rt. Hon. Sir George E. Foster	Minister of Trade and Commerce
K.C.M.G.	His Honour Richard S. Lake	Lieut.-Governor of Saskatchewan
K.C.M.G.	Hon. J. Douglas Hazen	Chief Justice of New Brunswick
C.M.G.	Austin E. Blount	Clerk of the Senate of Canada
C.M.G.	John W. Borden	Paymaster-General of Militia Department
I.S.O.	Francis K. Bennetts	Assistant Clerk of Canadian Privy Council
I.S.O.	Ernest F. Jarvis	Assistant Deputy-Minister Militia Department
K.B.	Hon. Hormisdas Laporte	Chairman War Purchasing Committee
K.B.E.	George McLaren Brown	European Manager C.P.R.

The Liberal Opposition During 1918.

Only a few words can be said here as to the policy of the party led by Sir Wilfrid Laurier during the year. It was not aggressive, the War issue remained too fundamental in nature to permit of much political action, the time for re-organization after the defeat of 1917 was not yet. The Opposition leader visited Montreal on Jan. 7-8 and conferred with Sir Lomer Gouin and other leaders; the press was full of rumours that he was about to resign and the Hon. W. L. Mackenzie King succeed to the position. The desire however, that Sir Wilfrid should remain leader was stated to be unanimous in the party. On May 13 the Liberal chief and Lady Laurier celebrated their golden wedding anniversary which was marked by a shower of flowers, by letters and telegrams of congratulation from all parts of Canada, and by the presentation on behalf of Sir Wilfrid's followers in the Commons and Senate of a beautiful golden salver, suitably engraved. From H. M. the King came this message: "The Queen joins with me in offering you and Lady Laurier our warmest congratulations on the occasion of your golden wedding, and we trust you may enjoy a continuance of your happy married life together."

During the discussions in Parliament Sir Wilfrid spoke frequently but not as a rule upon party issues; his policy in the main was based upon avoidance of controversies or any enhancement of ill-feeling between Laurier and Unionist Liberals; Mr. Murphy's attack upon Mr. Rowell being the chief exception. In June Sir Wilfrid was stated to be in poor health with malnutrition as the chief element; in July he left Ottawa for an extended rest at Senator Casgrain's summer home at Val Morin, Quebec. On Aug. 15 he spoke at Three Rivers in a welcome home to Hon. H. S. Béland M.P., and urged the people to obey the Conscription Act which had become law: "Resistance can only lead to anarchy." A Liberal Conference was held at Ottawa on Sept. 17 but no important announcement was made. Speaking at Montreal on Sept. 29 he declared for the inclusion of Germany in the League of Nations and advocated Old Age pensions and Workers' insurance against unemployment and sickness: "Capital and Labour have to work hand in hand, for they are indispensable one to the other. Capital without labour is worthless, and labour without capital is hopeless. . . . These are my last words to you, my fellow-countrymen—we are a nation divided in many ways; we must all unite to work together to bring a just and fair peace amongst ourselves and with all the nations of the earth."

At London on Nov. 19 Sir Wilfrid Laurier was tendered a banquet by his Western Ontario followers in honour of his birthday and 30 years of leadership; 300 men and women were present and a Western Ontario Liberal Association was formed with G. S. Gibbons of London as President; condemnation of the War-time Elections Act and "abhorrence at Government by Orders-in-Council" were expressed by Resolution. In his speech Sir Wilfrid

declared it to "the eternal honour of Britain that War found her unprepared" and denounced the rumours of Britain returning to Protection; as a whole the address was general in terms and not specific in policy except on the one point of promising to call a National Convention of the Liberal party "to examine the problems to be laid before us when we know fully the conditions and results of the War," and "to endeavour to settle them on the line of Liberal principles." The close of the year showed a revival of Liberal vitality. During the Provincial Conference of November, Hon. W. E. Foster and some other Provincial leaders discussed matters with Sir Wilfrid; on Nov. 25 Hon. Walter Scott, ex-Premier of Saskatchewan, in the Moose Jaw *Times,* came out against the Union Government, while the Regina *Leader* of Nov. 27 declared that the Government had "outlived its mandate and its usefulness;" to a correspondent in Winnipeg Sir Wilfrid on Dec. 4 wrote a long letter defending his belief that a time would come when Germans could again resume in their hearts the spirit of Goethe and Schiller. The resignation of Hon. W. R. Motherwell from the Saskatchewan Government on Dec. 10 involved a vigourous attack by him upon Union Government, its conditions, policy and shortcomings; at Winnipeg on Dec. 19, A. McLeod, President of the Manitoba Liberal Association, expressed delight that the party was purged of certain professed leaders in Liberalism and of newspapers that were alleged to favour class privilege—to uphold the rule of the rich few and overlook human interests. He emphasized his belief in the dawn of day for a new Liberalism. Other Liberal incidents of the year included the retirement of Lindsay Crawford from *The Globe* and establishment by him of an organ devoted equally to Laurier-Liberalism and support of Canadian Independence; the deaths in action of Capt. W. N. Graham, son of Hon. G. P. Graham and Lieut. Lemieux, son of the Quebec party leader.

CANADIAN CONDITIONS AND INTERESTS OF 1918

Canadian Banks and the War. No interest at this time affected so many people, individually, as did the Banks and no combination of interests or individuals was more concerned in War conditions and results, or as it turned out, more patriotic in policy than the Banks. To say that they were well managed is a trite expression; the mere fact that no wave of suspicion or unrest ever reached the doors of a Canadian Bank in 4½ years of war is sufficient proof; the popular confidence was shown in the increase of public deposits from a total of $1,012,739,990 on Dec. 31, 1914, to $1,565,419,884 on Dec. 31, 1918. With restrictions on borrowing abroad and large advances to Great Britain totalling $350,000,000 for the purchase of munitions in Canada; with staffs greatly cut down by the calls of war and a record of voluntary enlistment hardly equalled by any other class in the country—a total of 7,741 up to Jan. 15, 1918, out of a staff of 19,383 in August, 1914 and 2,000 more drafted in 1918; with demands of all sorts for developing war industries and aiding essential industries and helping agricultural production and contributing to patriotic causes; the Banks had a most responsible place in the conduct of the War and the holding of popular action along lines of national well-being. The figures of the business done by them in these years will indicate the results of their policy—a policy guided largely by the Canadian Bankers' Association, of which Edson L. Pease, Vice-President of the Royal Bank of Canada, was President in 1918:

Particulars	Dec. 31, 1914	Dec. 31, 1915	Dec. 31, 1916	Dec. 31, 1917	Dec. 31, 1918
Gold and Coin..	$62,569,688	$67,995,610	$71,172,169	$82,032,863	$79,315,616
Dominion Notes..	138,056,339	145,547,870	124,750,241	167,509,121	175,744,883
Gov't Deposits ..	16,432,562	24,135,205	50,561,475	103,039,631	136,758,102
Securities Held ..	105,660,507	122,495,227	262,778,409	468,406,273	513,591,319
Loans in Canada.	854,546,031	859,746,102	902,948,540	930,312,318	1,315,008,748
Loans elsewhere .	128,426,724	195,637,608	250,274,854	246,064,580	119,153,924
Total Assets ...	1,555,556,815	1,737,992,244	1,948,044,256	2,323,163,783	2,689,835,181
Capital Paid-Up .	113,916,913	113,987,577	113,346,341	111,673,776	109,492,397
Reserve Fund ...	113,070,859	112,457,333	113,383,343	114,673,776	116,015,825
Circulation	105,969,755	122,199,582	148,785,287	192,923,824	224,501,117
Public Deposits .	1,012,739,990	1,144,680,651	1,303,215,134	1,565,419,884	1,669,507,617
Deposits Elsewhere	98,901,413	134,650,183	162,860,614	174,779,104	206,845,143
Total Liabilities .	1,314,646,254	1,499,283,690	1,706,948,568	2,081,733,392	2,448,251,632

The responsibility of managing 2,000 millions of money in days of world warfare was fully realized and in July 1918 Mr. Pease as President of the Bankers' Association, issued circulars to the General-Managers of all Canadian Banks in which he declared that manufacturers should carry as small inventories as possible, and avoid payment of large dividends, and that loans to increase production on the farm should be given right-of-way. During this year a distinct change occurred in the relations of farmers and the banks. There was a broadening of the basis of credit, a freer hand in lending to producers, greater satisfaction amongst farmers in general—as expressed by R. C. Henders, M.P., President of the Manitoba Grain Growers and others. The policy as to Victory Loans was a generous one and money was lent upon these bonds, or to help in purchasing them, as freely as the exigencies of banking would permit.

The calls upon Savings Banks and other deposits for national loans were heavy in 1917-18 but they did not check the steady increase in such deposits. Meanwhile, Canada was concerned, also, in the heavy gold shipments to the United States although it was largely as the representative of Great Britain upon this continent that she figured in the huge total of $1,390,771,619 worth of gold exported to the United States in the years 1914-1918 (9 months of 1918) out of a total American import of $1,804,290,003. The general increase in the country's business was shown in the enlarged clearings of

Canadian Banks which grew from $10,557,060,950 in 1916 to $12,469,426,435 in 1917 and $13,763,803,755 in 1918. As to the War, the following table, supplied by courtesy of the Canadian Bankers' Association, shows the total enlistments of Canadian Banks to Oct. 14, 1918:

Bank	Staff Aug., 1914	Enlisted Voluntarily or under M.S.A.	Bank	Staff Aug., 1914	Enlisted Voluntarily or under M.S.A.
Montreal	1,416	767	Dominion	725	417
Nova Scotia ..	909	543	Hamilton	630	308
B.N.A.	712	370	Standard	605	229
Toronto	768	376	Hochelaga	571	124
Molsons	623	232	Ottawa	539	273
Nationale	420	62	Imperial	892	486
Merchants	1,179	680	Home	254	106
Provinciale ...	267	55	Nor. Crown ..	460	181
Union	1,508	894	Sterling	211	78
Commerce ...	2,693	1,639	Weyburn	88	13
Royal	2,254	1,118			
Total				17,674	8,951

It may be added that the Royal Bank had 171 killed in action, the Bank of Hamilton 35, the Merchants' 73, the Dominion 52, the Toronto 59, the Commerce 250, with 302 wounded, the Union 108, the Nova Scotia 82. Of other war incidents is the fact that the Dominion Bank staff won 14 decorations, that of the Merchants' 11, that of the Commerce 54 and of Hamilton 9; the total contribution to Patriotic funds of $122,150 by the Merchants' Bank may be mentioned to illustrate the figures in all the Banks of which exact details are not available; the splendid memorial publication of the Commerce in its 11 pamphlets called *Letters from the Front* which described the services and indicated the heroism of its 1,600 enlisted men. During the year 160 Bank branches were opened and 33 closed; towards the end of 1918 a movement began which promised wide development in this respect.

Two important amalgamations took place in 1918—the Bank of Montreal absorbed the Bank of British North America with its total Assets of $75,418,448 and 92 branches and the Royal Bank of Canada took over the Northern Crown with its Assets of $27,251,090 and 113 branches. This left the total Assets of the three greater Banks at the close of 1918 as follows: Montreal, $536,900,339; Royal, $422,809,182; Commerce, $422,229,276; a great deal of discussion followed as to the advisabilty of such amalgamations with, however, a very conspicuous current example in Great Britain where Lloyd's Bank absorbed the Capital and Counties, the National Bank of Scotland and the London and River Plate with total deposits, finally, of $1,525,000,000, a total capital of $45,000,000 and total Assets of $1,675,000,000. The vital reason given was the need of strength in view of current and future world conditions.

Banking incidents of the year included the formation in London of a British Overseas Bank Association with Canadian, African, Egyptian, Australian, New Zealand and Indian institutions as members, T. H. Whitehead as Chairman and Charles Cambie as the Canadian member of the Executive; the declaration of E. L. Pease, Royal Bank (Jan. 10) that "If we had a Bank of Re-Discount patterned somewhat after the Federal Reserve Bank in the United States it would render legitimately available millions of assets in the form of high grade commercial paper now lying dormant in the portfolios of the Banks" and approval by E. F. Hebden of the Merchants and some others; the establishment of new Banking hours—9.30 to 2.30—which began on June 1st; the celebration by the Canadian Bank of Commerce on July 24 of the 50th Anniversary of the services of its President, Sir Edmund Walker, C.V.O., LL.D., D.C.L., by the issue of a new and beautifully designed series of bank notes and the holding of a Dinner in honour of the occasion at which Z. A. Lash, K.C., Vice-President, presided and delivered a notable address with a reply of fitting reminiscent character from Sir Edmund.

The House of Lords, sitting in Appeal, decided on June 25 that the Bank of Montreal could not be held responsible in a case where Capt. C. E.

Banbury charged one of its managers with advising him wrongfully as to an investment; the death of Brig.-Gen. The Hon. James Mason, 1st President, General Manager and founder of the Home Bank of Canada on July 16 caused much regret in financial, military and public circles; it was announced on Dec. 27 that the Union Bank of Canada had formed a close alliance with the National Park Bank of New York and had organized a subsidiary joint Banking corporation to promote trade with the Orient; the net profits of 11 Canadian Banks reporting up to the close of 1918 showed a total of $15,040,435 compared with $13,756,994 in 1917 but the highest dividends were from 8 to 12 per cent. and one at 16 per cent., compared with dividends in New York which ran from 16 as high as 30 per cent. in several cases. The chief Banking appointments of the year were as follows:

Bank	Position	Name
Nova Scotia	President	Charles Archibald
Nova Scotia	Vice-President	George S. Campbell
Nova Scotia	Vice-President	J. Walter Allison
Nova Scotia	Manager at Montreal	H. W. Binning
Union	Assistant General Manager—London	F. W. Ashe
Union	Assistant General Manager—Winnipeg	F. W. S. Crispo
Union	Assistant General Manager—Toronto	George Wilson
Union	Director	S. E. Elkin
Union	Director	W. H. Malkin
Union	Director	A. Hitchcock
Standard	President	Wellington Francis, K.C.
Standard	Vice-President	Herbert Langlois
Hamilton	Manager at Montreal	R. L. Ellis
Molsons	Director	John W. Ross
Molsons	Director	J. M. MacIntyre
Sterling	Director	W. A. Matheson
Commerce	Assistant Inspector Head Office	E. S. Henderson
Commerce	Assistant Inspector Head Office	L. A. S. Dack
Commerce	Assistant Inspector—Winnipeg	A. P. Taylor
Commerce	Assistant Inspector—Sherbrooke	A. G. C. Du Boulay
Commerce	Assistant Inspector—Pacific Coast	Hugh Baillie
Commerce	Director	J. S. Mitchell
Montreal	Assistant General Manager	F. J. Cockburn
Montreal	Assistant General Manager	H. B. Mackenzie
Montreal	Assistant General Manager	G. C. Cassels
Montreal	Assistant General Manager	D. R. Clarke
Montreal	Assistant General Manager	O. R. Sharp
Montreal	Secretary	C. H. Cronyn
Provinciale	Board of Control	J. B. Rolland
Royal	Director	A. McTavish Campbell
Royal	Director	Capt. William Robinson
Imperial	Director	Edward Hay

The Problem of Prices in Canada. The increase in prices which the people had to face in these war years was, upon the whole, unavoidable. There was profiteering of course, but it was largely a result, not a basic cause, of the general condition. As the official Report of the Canada Food Board put it late in 1918: "The main cause of the tremendous rise in prices was the increasing scarcity of supplies available to the Allied nations, and the wild bidding that occurred for these when each country was competing separately for supplies." The Food Controller (Mr. Hanna) was greatly criticized at an earlier stage for not regulating and controlling prices, but this was difficult or impossible until the Allied Government should unify and regulate their prices and methods of purchase. If, for instance, the French Government made a purchase above the ruling Canadian price, the local price had to advance; otherwise the whole of the product, or a large part of it, would have been diverted into foreign channels and the local scarcity have raised the price to meet local demands.

Early in 1918 the various Allied Governments did pool their buying under one organization known as the Allied Provisions Export Commission and with it was associated the British Government Wheat Export Co. and the Dairy Produce Commission of Canada which had been previously formed. Different interests purchased in Canada during the War as follows: British Ministry of Food, in meats and fish, 159,649 tons, $104,432,871; the Dairy Produce Commission, in condensed milk, cheese, butter and eggs, $42,820,264; the Wheat Export Company, in grains, etc., a total of 805,600 tons. These were large purchases but they were nothing to the enormous requirements of the Allies and the following table* of a three-fifths year period before the War and in 1917-18 indicates the competitive process and demand which made higher prices inevitable:

	Allies' Pre-War Imports	Allies' War Requirements	Canada's Pre-War Net Exports	Canada's Net War Exports	Percentage of Supply to Allies' War Needs
Beef, lbs.	1,127,655,000	1,569,356,000	.....	35,000,000	2·23
Pork Products, lbs.	908,245,000	1,520,000,000	3,000,000	130,000,000	8·55
Butter, lbs.	481,000,000	501,000,000	6,000,000	7,000,000	1·40
Condensed Milk, lbs.	150,000,000	250,000,000	4,405,000	15,754,000	6·30
Eggs, doz.	241,554,000	241,554,000	12,000,000	3,000,000	1·24
Cheese, lbs.	257,985,000	268,800,000	140,000,000	180,000,000	66·96
Wheat bush.	312,684,000	525,085,000	94,686,000	222,000,000	42·28
Barley, bush.	54,162,000	69,145,000	5,508,000	9,678,000	13·99
Oats, bush.	97,848,000	171,628,000	15,552,000	64,992,000	37·87
Rye, bush.	5,549,000	28,271,000	788,000	1,130,000	4·00

So far as the Food Board, in co-operation with buyers for export, could do so, it organized and stabilized prices—to a much greater extent than could be explained in War-time. At one stage, for instance, dairy products were vitally affected by a tremendous demand for condensed milk; the Produce Commission and the Allied Commission in London together worked out a schedule of prices that would be paid in Canada for cheese, butter and condensed, evaporated and powdered milk for export, and this stabilized milk prices in Canada. So with flour, which at one time rose to $15.00 per barrel before action was taken. Bread was under the very strict control of the Cost of Living Commissioner in co-operation with the Board, costs were made public and profits regulated so that the price was kept at a rate considerably lower than in the United States—although prices were not actually "fixed." Sugar prices were regulated carefully and based on such factors as the price of raw sugar and freight adjustments with a saving to consumers at one period of 20 cents a pound. The regulation of dealers' profits applied with special force to milk in cities and to wholesale prices of dairy products and meats; fish, through this process and by regulation, became one of the cheapest foods in the country; prices of bran and shorts were reduced by regulation to aid in the production of milk.

In a general sense the cost of staple foods in 60 Canadian cities, compared with 40 cities in the United States as compiled by the respective Labour Departments, showed an average 10 per cent. in favour of Canada. Of course this control of profits on invested capital was quite a different thing from control of prices. A very large profit may be made upon the capital invested by individual manufacturers or dealers in staple food products as a result of turnover, but the entire elimination of such profit, in many cases, would not affect the retail prices of these commodities. For instance, if the profit of 25 cents per barrel of flour had been eliminated and the millers had manufactured at cost it would not have affected the price of bread except by one-tenth of a cent per pound! It was this distribution of small profits over an immense turnover which, very largely, made the Davies' millions and those of other meat packers, possible.

Meantime, the rise in Prices was universal. Between 1914 and various dates the food increases in the three chief Allied countries were as follows:† Italy, February, 1918, 153 per cent.; Great Britain, June, 1918,

*Note.—Compiled from reports of the Canada Food Board.

†Note.—Canada Food Bulletin (Official) November, 1918.

108 per cent.; France, January, 1918, 91 per cent. Taking general commodities wholesale prices advanced in the United Kingdom during the War period to March, 1918, in 44 leading articles or products (*Economist*), by 127 per cent.; in the United States 200 commodities (*Dun's*) by 108 per cent.; in Canada, on 172 commodities (Labour Department), by 100 per cent. Upon the whole prices were lower in Canada than elsewhere, but they also were affected by conditions in the United States as when, for instance, the price-fixing by the Government there raised the Canadian prices of wheat and bacon; they were influenced by American profiteering as to which the U. S. Treasury Report in August showed enormous meat-packing, dairy, iron and steel, coal and oil, and stock-breeding profits with production running up to 100 per cent. increase; they were affected by such war issues as the scarcity of wool and coal, the enlarged cost of labour, scarcity of houses and lack of building operations. They were enhanced by local causes such as the profiteering of restaurants, the abuse of cold storage facilities by cheese producers, as stated by the Cost of Living Commissioner, the undue holding of food in storage as in the case of the Davies concern at Winnipeg and its destruction in March of 4 tons of chickens held since 1916. In this connection there was the statement of the Montreal Food Department on June 1 that in 15 months 277,000 pounds of food worth $1,000,000 had been destroyed in local storage plants and the destruction at London in August of about 20,000 dozen eggs with a hoarding of butter in cold storage which was reported during September. All these things helped but the main and basic cause still was the old one of supply and demand.

The Labour Department's estimate for the last war month of October in Canada was that the weekly budget of staple foods in 60 cities averaged $13.54 as compared with $11.81 in October, 1917, and $7.92 in 1914. The increases in rent and fuel were somewhat similar. As to details the *Weekly* (Farmers') *Sun* quoted market prices in Toronto on July 30, 1914, and 1918 as follows: Cattle 8 cents and 15 cents a pound respectively; Sheep 6½ cents and 15 cents; Lamb 8½ cents and 19½ cents; Hogs 10¾ and 19¼ cents; Wheat $1.25 and $2.14 a bushel; Oats 60 and 94 cents; Butter 25 and 43 cents a pound; Eggs 25 and 48 cents a dozen; Cheese 14⅝ cents and 22½ cents a pound. In this connection the farmer denied large profits from war prices and charged the middleman as being the profiteer; the latter responded with statements of the large total returns to agriculture in the past few years. In the United States some exact facts were officially given by the Department of Agriculture which stated that the average farm prices in the three months ending July 1, 1918, were 127 per cent. over the 1913 average. H. C. Hoover, U. S. Food Administrator, made this statement on Nov. 11: "All Indexes show an increase in farmers' prices and a decrease in wholesale prices of food during the year ending July 1, 1918. In other words, a great reduction took place in middleman's charges, amounting to between 15 and 30 per cent. depending upon the basis of calculation adopted. These decreases have come out of the elimination of speculation and profiteering." As farming conditions and prices run along very similar lines in the two countries these statements were of interest.

The U. S. Bureau of Labour statistics put the average price of Food in that country at the Index figure of 162 in June, 1918, compared with 100 average in 1913—the prices in December being stated later as 87 per cent. above the 1913 level. From all obtainable evidence* the average American advances in the items of a family budget between July 1914 and November, 1918, were as follows: Food 83 per cent., Shelter, 20 per cent., Clothing, 93 per cent., Fuel, Heat and Light, 55 per cent., Sundries 55 per cent. As to Great Britain the British Minister of Food reported that the principal foods had increased from an Index figure of 100 in July, 1914, to 229 in October, 1918; textiles, leather, etc., to 313; coal to 177, soap to 233 and household oils to 319.

*Note.—Research Report No. 14 of U. S. National Industrial Conference Board.

The Influenza Epidemic of 1918. This was a vital event of the year—one which did more harm and caused more widespread suffering than any other product of the World War. According to the London *Times* of Dec. 23, there were reasonable grounds for belief that it caused the death of 6,000,000 persons throughout the world in a period of three months: "Never since the Black Death has such a plague swept over the face of the world; never, perhaps, has a plague been more stoically accepted. In India alone over 3,000,000 deaths occurred. In Cape Town 2,000 children were left destitute as a result of the disease, while the plague swept through the native areas like fire. The Commonwealth of Australia sent a ship to Samoa with help, because the disease was affecting 80 per cent. of the natives. The white population were only able to feed the living and bury the dead. In New Zealand public services were stopped and business gravely disorganized. The ravages in America have been appalling, nor has Canada escaped. In Ontario and the Western Provinces no fewer than 108 doctors died of the epidemic, while the total death rate in Ontario alone was 5,000 up to November. A large number of American Indians have perished. Europe as a whole has suffered in the same way."

As to the United States it was stated at Washington that 111,688 deaths were caused in 46 cities, alone, with at least 300,000 deaths in the whole country; Insurance claims beween Oct. 1 and Dec. 24 from Spanish Influenza deaths totalled $52,000,000. The epidemic began in Spain during the summer. It was then mild, and there were comparatively few deaths. In that form it spread across Europe, visiting London about June. Then it gradually widened its area and appeared to increase in virulence until the apex was reached in November with pneumonia as the common ending in fatalities; no absolute proof was obtained as to the germ or bacillus from which the disease originated. At one time (September) there were 75,000 cases in Massachusetts and 100 deaths daily in Boston with 30,000 cases in the United States Army and 500,000 altogether in New York City; the total of deaths in New York was 22,950 and in Philadelphia 12,687.

In Canada all kinds of people and interests were affected with October as the worst month. McGill University, Montreal, closed its courses and Westmount its churches; in Montreal 5,000 cases were reported on Oct. 16 and the Nuns were mobilized for nursing services; at this time in London there were thousands of cases reported and all public places and institutions were closed; in Toronto volunteer nurses were called for by the Government and schools were closed and public meetings suspended, with 3,000 cases reported and deaths reaching to 50 a day; Ottawa suffered severely with as many as 10,000 cases estimated at one time. Everywhere throughout Canada there were the same troubles—shortage of nurses and physicians, deaths from overwork in looking after cases, the seizure and helpless condition of whole families, the curious fatality of the ages between 25 and 35. In Edmonton, Calgary and other Western towns the epidemic grew so great that masks were ordered to be worn by the public; in the far North-west, as in the lumber-camps of Ontario, the disease was serious; in Alberta it prevailed well into November with 16,000 cases reported.

The Influenza and pneumonia deaths reported from Montreal for the month of October totalled 2,713 and the number of cases 16,266; in Toronto the fatalities were 1,259, in Ottawa 570, in Kingston 145, in London 187, in Winnipeg, 366, in Hamilton 244, in St. John 126, in Halifax, 153; the total number of cases reported from Quebec Province by Dr. J. A. Beaudry of the Board of Health was 530,704 up to Dec. 27 with 13,880 deaths. The total deaths in Ontario to this date were 7,200. Many of the victims of this disease were well-known people and many physicians, nurses, ministers, priests, died while doing their duty to others. Some of those who were carried away by it were R. P. Wallis, M.L.A., for Alberni, B.C.; Dr. James E. Brown, Toronto; Prof. F. J. Cronk, McGill and P. E. Lamarche, K.C., ex-M.P., Montreal; J. W. Forrester, M.A., D.PÆD. of Winchester; Mrs. M. J. O'Brien, Renfrew and Lieut.-Col. A. M. Houston, Militia Department; Rev. H. P. Everett, M.A., B.TH., St. John; Colonel W. Hamilton Merritt and Cawthra

Mulock, Toronto; Dr. J. F. Boyle, Edmonton and Mayor M. R. McQuarrie, Nelson, B.C.; M. O. Ramsland, M.L.A. for Pelly, Alta.; Professors W. Muir Edwards of Alberta University, A. J. Galbraith, B.S.A., of Manitoba Agricultural College; H. J. Helliwell and wife, Edmonton; Major A. C. Ruttan and Capt. T. L. O. Williams, M.C., Winnipeg. Two heroes of the War died of the disease—Capt. F. G. Quigley, D.S.O., M.C., Toronto, and Fl.-Lieut. Allan A. McLeod, V.C., Gladstone, Man. Amongst the priests who were carried away were Rev. Basil Kingsley, D.D., Bracebridge and Rev. Augustine Suffa, O.M.I., Regina.

The Prohibition Movement in 1918. The War brought triumph to the advocates of Prohibition—though to the close of the fiscal year 1918, there was little change in the importation of spirits—the total being 4,795,711 gallons compared with the average of 4,217,254 gallons in the years 1913-14 to 1916-17. In warehouses on Mch. 31 there were 13,047,223 gallons compared with the preceding average of 20,332,668 gallons. The total revenue collected from Excise, War-tax, etc., on all malt liquor and spirits in the year of Mch. 31st was $14,258,495. The manufacture of malt during the fiscal year was 67,134,788 pounds compared with the preceding 4-year average of 101,620,487 pounds. The war policy of Europe was regulation and restriction; that of America was, in the main, Prohibition. In Great Britain convictions for drunkenness decreased from 189,000 in 1913 to 46,000 in 1917 and in London from 65,000 to 16,800. In Canada the great new argument for Prohibition was protection of the soldiers; the great objection to it was undue interference with personal liberty; the issue turned, of course, upon whether the misuse of liquor was sufficient to make the question one of public morals.

Prohibition of the importation of intoxicating liquors (over 2½ per cent. proof) had come into operation by Order-in-Council on Dec. 24, 1917, with, however, licenses granted for sacramental, medicinal, scientific, mechanical and manufacturing purposes; prohibition of inter-Provincial transport came into effect on Apr. 1, 1918, by Order-in-Council of Mch. 11; prohibition of manufacture was also enacted in this Order but was not put into formal operation —the restriction of sale and transport and import making it perhaps unnecessary. For Prohibitionists the practical effort of the year was to extend or make permanent the Federal and Provincial prohibitions; for the other side the issue was one largely of obtaining a beer and wine license. As the convention Call of the Dominion Alliance put it on Feb. 1st: "Of the 9 Provinces in Canada, 8 have enacted prohibitory laws as far as their constitutional powers will permit. In the remaining Province, Quebec, 1,097 municipalities are under prohibition, and in only 90 will licenses hereafter be granted. Much remains to be done. The temporary war-time regulations must be embodied in permanent and plenary legislation by the Dominion Parliament. The work of the various Provincial Prohibition organizations, and other moral reform agencies, must be co-ordinated for the securing of the best results from the working of the laws, both Dominion and Provincial." At the end of the year (Dec. 7) a deputation from the Dominion Prohibition Committee of which Hon. E. Lafontaine, Montreal, was President, waited upon the Government at Ottawa and urged:

> (1) That the Government should continue in effect the conditions of the Order-in-Council of Mch. 11, 1918, by having the same embodied in legislation by the Parliament of Canada.
>
> (2) That the legislation so enacted be continued in effect until such time as a vote of the electors of the Dominion shall have been taken on the question of its continuance or discontinuance.
>
> (3) That the vote on this question be taken at a date to be fixed by the Government at least six months prior to the day of voting and with due regard to the restoration to civil life in Canada of the Canadian soldiers now overseas.

An incident which created much discussion during the year was the effort of the Rev. Ben H. Spence, an enthusiastic Prohibition leader, to promote his

cause by publishing literature and writing articles in Canada regarding the alleged drink degradation of Great Britain and the dangers to which Canadian soldiers were subject in that country. He wrote an open letter to the British Premier on Feb. 14 which contained extraordinary statements and insinuations such as references to "the immoral filth of London and other British centres" and to Canadian soldiers as "debauched by British booze!" A little later he prepared a Canadian edition of a book by Arthur Mee which described in other and enlarged forms the alleged existence of even worse conditions in England. The Canadian Government had barred the original book from Canada as containing objectionable matter and another called *The Fiddlers* by the same author. The continued printing of the Canadian edition and consequent legal action against Mr. Spence need not be dealt with here, but it ran into the next year. As a part of this propaganda reference must be made to an utterance by Capt. G. T. Bailey before the Dominion Alliance at Toronto on Feb. 27, which attracted wide attention, as follows: "I will make a statement not vouched for, but from an officer that came from there. He said that at Christmas time 90 per cent. of our soldiers were drunk, and that if the Germans had been wise and made an attempt they would have got right through. My friends, I think it is sad. I think it is time for us to make a stand. I do not wish to sadden your hearts, but I am only stating facts. One million gallons of spirits were brought over."

Capt. Bailey was arrested, tried before Magistrate G. T. Denison for utterances hostile to recruiting and sentenced to three months in gaol; but the effect of what he said, in conjunction with Mr. Spence's statement, lasted through the year. Vigourous denials followed, however, from all kinds of authoratitive sources both as to the alleged conditions in England and as to those amongst the Canadian soldiers. Bishop Fallon of London in several interviews, Bishop Bidwell of Ontario Diocese before his Synod, Brig.-Gen. H. D. B. Ketchen, C.B., C.M.G., in Winnipeg, Dr. Herbert A. Bruce, Toronto, Bishop Richardson of Fredericton, Rev. Dr. John Neil of Toronto, and many others, spoke strongly upon the subject and there was no public corroboration of the original statements from any source. It was a curious fact in this connection that one of the Prohibitionist speakers, sent from Canada to tour New Zealand and Australia, was W. D. Bayley, who stated in Winnipeg on July 8* that "Rule Britannia" was an objectionable song and that Britishers went "swanking around the world making themselves offensive everywhere!" Another incident was the bringing of W. J. Bryan to Toronto to address the Dominion Alliance; the appearance of this writer of gross libels upon British rule in India evoking a much-discussed and very hostile reception.

But these were only incidents in a great struggle which, if the Prohibition estimate of $100,000,000 as the yearly drink bill of Canada was correct, certainly created an economic revolution. Meanwhile, the Brewers (Mch. 5) had asked for compensation with little prospect of getting it; Quebec had accepted Prohibition with the exception of light beers; the opponents of the policy claimed that thousands of workmen were leaving the country and other thousands prevented from coming to it; its advocates claimed that law and order, public morals and prosperity, and working efficiency, had all increased as a result; the opponents had the support of Samuel Gompers in claiming that deprivation of their beer had caused unrest in the workers, encouraged Socialism and promoted Bolshevism; one side quoted Sir Victor Horsley and other eminent medical men in favour of Prohibition from a Health standpoint while the other quoted Sir Lauder Brunton, Sir William Osler, etc., in support of moderate drinking. The Influenza epidemic gave a pronounced proof that no conclusions should be carried to an extreme. In Toronto, as a local incident, the Chief Constable's Report for 1918 showed 5,943 offences of a criminal nature compared with 4,706 in 1917.

Development of Natural Resources and Business. There was continued progress in Canada during 1918 in almost every direction. Though the total production of wheat was less than in 1917 by 44 million bushels, that of

*Note.—Despatch in Toronto *Telegram*, July 10.

oats showed an increase of 23 millions, barley 22 millions, mixed grains 9 millions, potatoes 25 millions and the total area of all field crops was 51,427,190 acres compared with 42,602,288 acres in 1917 and 38,930,333 acres in 1916 with the value $1,367,909,970, $1,144,636,450, and $886,494,900 respectively. While the net Debt increased during the fiscal year (Mch. 31) by 312 millions, the ordinary revenue increased 28 millions; the Bank Clearings in the calendar year grew by 1,200 millions and Bank deposits by 324 millions; the Bonds sold in Canada grew from a 5-year average in 1910-14 to $527,300,000 in 1917 and $727,446,000 in 1918; the borrowings* from abroad were 180 millions in 1917 and $47,910,000 in 1918 compared with the 5-year average of $243,370,000 in 1910-14; the total trade of Canada grew from $1,112,090,377 in 1914 to $2,548,713,538 in 1918; the mineral production grew from $128,863,075 in 1914 to $189,646,821 in 1917 and to $210,204,970 in 1918; Railway and industrial figures, with full financial and agricultural statistics, are given elsewhere.

Fire Insurance in 1917 stood at a total of $3,986,197,514 at Risk with Premiums of $31,246,530 and Losses of $16,379,102; Life Insurance in the same year had $1,585,042,563 in Force with Premiums of $34,599,199 received by Canadian Companies, $1,957,143 by British Companies and $18,287,267 by American Companies, In this Insurance connection it may be said that a Report of the Commission on Conservation issued during the year stated that: "Since Confederation the Fire loss in Canada, excluding forest fires, has been $700,000,000. One-half of this sum was made up of direct fire losses; $150,000,000 represented the cost of maintaining the public and private Fire prevention services, while $197,000,000 was the amount of insurance premuims paid but not returned to policyholders as compensation for losses. In addition nearly 200 people were burned to death and about 500 seriously injured by fire every year. In the four normal years, 1912-1915, Canada's actual per capita fire loss was $2.73 as compared with $2.26 in the United States, 64 cents in England, 74 cents in France, 28 cents in Germany and 13 cents in Switzerland."

The Commission claimed that 70 per cent. of the fires in Canada were caused by carelessness, faulty building construction, arson and lack of fire prevention laws—such laws as existed being but poorly enforced. The estimated loss in 1918 was $35,000,000 and if the cost of Fire protection, Insurance, etc., were included would run up to $60,000,000. The actual loss in 15,927 fires during January-October, inclusive, was $28,443,200 of which 234 fires represented $22,654,500. In these totals Forest fires were not included and the potential wealth lost in that connection was enormous. The Toronto *Globe* (Feb. 11) dealt with this point: "In 1915 alone ten million dollars' worth is estimated to have been wiped out by fire. An expert who made a personal inspection of the forest resources of Northern Canada is authority for the statement that in that part of the country 16,000,000,000 feet, B.M., of spruce and pine, has been destroyed during the last 30-year period. Through fire waste alone more timber has been destroyed in the Dominion than has been felled by the woodsman's axe for ordinary commercial purposes."

Canadian mining activities of these years naturally turned to products of war use and value. John McLeish of the Mines Department stated, with absolute truth, at the end of 1918 that to have maintained the production of the more important metals and of fuel on the scale of previous years would have been, in itself, a notable achievement in view of all the difficulties in respect to labour, transportation, costs, etc., under which the industry had to be carried on: "But to have increased our production of these metals, as has been done in most instances, is an achievement of which we have every reason to be proud." During 1918 the refining of metals was greatly increased, new electric plants installed and new open hearth furnaces built; lead and zinc refineries were operated to capacity and the new Nickel plant at Port Colborne was placed in operation on July 1st; the production of non-metallic products such as asbestos, chromite, feldspar,

*Note.—Greenshields' *Monthly Review*, Montreal, Jan. 1919.

magnesite, pyrites, was largely increased; the bulk of Canadian iron-ore continued to come from the Newfoundland mines and from the Lake region of the United States, but copper, zinc, lead and even coal increased in production, despite the insufficient supply of men; improved management and ore treatment produced better results as the following table of Mineral production of Canada during the War years, in its chief items, shows—with the values for 1918 added:

		1914	1915	1916	1917	1918	Value 1918
Gold	Ozs.	770,374	918,056	830,492	747,366	710,526	$14,687,875
Silver	Ozs.	27,544,231	26,625,960	25,459,741	22,150,680	21,284,607	20,597,540
Copper	Lbs.	75,738,386	100,785,150	117,150,028	108,860,358	118,415,829	29,163,450
Nickel	Lbs.	45,517,937	68,308,657	82,958,564	84,470,970	92,076,084	36,830,414
Zinc	Lbs.	21,786,000	28,790,000	23,364,760	31,227,351	33,663,690	2,746,620
Lead	Lbs.	36,337,765	46,316,450	41,497,715	32,072,269	43,846,260	4,055,779
Coal	Tons	12,594,984	13,267,023	14,483,395	14,015,588	14,979,213	55,752,671
Asbestos	Tons	96,542	111,142	133,439	144,185	141,462	8,936,805

Something of this development was due to the Mines Department at Ottawa and its fully organized and efficient staff of experts, together with a well-equipped series of laboratories—the latter dealing with ore-dressing, fuel testing, chemicals and ceramic matters; the Mines Branch also undertook the milling and concentration of molybdenite ores for the Munitions Board; engineers were sent out to report on the occurrences of molybdenum and other minerals required for war purposes, such as zinc, lead, copper, iron, antimony, chromium, manganese, etc; numerous tests were made on shipments from different sources of tungsten, manganese, chrome, graphite, pyrites, iron and copper. All kinds of oils and fuels were tested, prospecting encouraged in every direction, assistance given as to various alloys and iron and steel developments, a thorough survey of chemical industries made and an investigation carried on as to the possibility of recovery of potash salts from the waste flue gas of cement plants.

Besides the totals of production in 1918 specified above there was $3,368,860 of Cobalt metallic, $1,204,703 of pig-iron from Canadian ore, $867,122 of chromite, $1,016,765 of magnesite, $4,370,620 of natural gas, $1,688,991 of Pyrites, $1,285,039 of Salt, $7,076,501 of Portland Cement, $4,599,835 of clay products, $1,856,819 of Lime, $1,786,528 of Sand and gravel, and $2,873,175 of Stone,—the total values of metallic minerals being $113,563,111, of structural materials and clay products $18,411,664, of all other non-metallic $78,230,195. A factor in the general process was the Canadian Mining Institute with its studies, publications, addresses and influence along lines of development. The 20th annual address was given by Arthur A. Cole at Montreal, in March, 1918, and illustrated one side of the industry by the fact that in 1915 the tonnage supplied to Canadian Railways was 37·89 per cent. Mineral, 18·79 per cent. Agricultural, 16·03 per cent. Forest products and 14·76 per cent. Manufactures.

Lumbering during the War remained below normal—lack of ships, immense demands in Europe for local and immediate supplies, shortage of labour in Canada and cessation of building, were the causes. Pulp-wood, with an estimated resource of 1,033,370,000 cords, was an exception and is elsewhere dealt with; a large proportion of the American demand of 600,000 tons a day being met by Canada. As to Forest resources, Canada stood third amongst the countries of the world—following Russia and the United States. The exports of Forest products in the fiscal year 1918 totalled $51,899,704 compared with $42,792,137 in 1914 and there was a large increase during the balance of the year. It may be added here that other Natural resources showed much greater development in export. Products of the Mine increased from $59,039,054 in 1914 to $73,760,502 in 1918; products of the Fisheries from $20,623,560 to $32,602,151; Animals and their products from $53,349,119 to $172,743,081; Agricultural products from $198,220,029 to $567,713,584; Manufactures from $57,443,452 to $636,602,516. By a census report for 1917 the total production of Canadian Fisheries was valued at $52,312,044. The estimated value for 1918 was $60,000,000; value of investments in the Fisheries was $26,500,000 and nearly 100,000 persons were engaged in it

with 39,000 boats and vessels. The Lobster problem on the Atlantic and the decline of Sockeye salmon on the Pacific were vital issues of the year.

During the calendar year 1918 Canadian trade, which had leaped sky-high during the War, showed a slight decline from $1,005,071,716 of Imports and $1,547,340,855 of Exports in 1917 to $906,954,900 of Imports and $1,229,708,244 of Exports in 1918. The chief countries with which this 1918 trade was done were as follows: British Empire—imports from, $125,357,770, exports to, $647,464,246; France—imports from, $3,754,761, exports to, $101,501,396; Japan—imports from, $13,184,893, exports to, $10,624,274; United States—imports from, $738,142,064, exports to, $433,232,149; Cuba—imports from, $2,034,654, exports to, $4,879,779; Brazil—imports from, $1,128,616, exports to, $3,825,859; China—imports from, $1,867,405, exports to, $2,934,663; Italy—imports from, $642,071, exports to, $9,516,642. The balance of trade still remained favourable and for the War period the situation in this respect stood as follows in the fiscal years ending Mch. 31—with, also, figures of trade with Great Britain and the United States:

Year	Total Exports	Total Imports	Exports to United Kingdom	Imports from United Kingdom	Exports to United States	Imports from United States
1914	$478,997,928	$633,692,449	$222,322,766	$132,070,876	$200,459,373	$410,786,091
1915	490,808,877	587,439,304	211,758,863	90,160,781	215,409,326	428,616,927
1916	882,872,502	542,077,361	463,081,241	80,108,795	320,225,080	398,693,720
1917	1,375,758,148	873,437,426	756,071,077	121,763,214	486,870,690	677,631,616
1918	1,586,169,792	962,543,746	861,073,399	81,324,283	441,390,920	791,906,125

Immigration during these years, though not large, was important enough to about fill the place of those who went to war. In the fiscal year 1915 immigrants from Great Britain numbered 43,276, in 1916, 8,664, in 1917, 8,282, in 1918, 3,178—a total of 63,400; in the same years the immigrants from the United States were, respectively, 59,779, 36,937, 61,389 and 71,314 or a total of 239,419; there was, also, a total Foreign influx, other than American, during these years of 53,995. Between June 30, 1901, and Mch. 31, 1918, the total of British immigrants was 1,167,942, of American 1,210,091 and other Foreign 826,614. The British decrease during the War was inevitable, the American increase was largely from a class of well-off United States farmers whose object in taking up new Western land was not affected by the War. According to figures compiled by R. J. C. Stead of the C.P.R. Calgary, they brought with them, in cash, to Western points in 1915-16-17 a total of $10,980,000. The immigrants of the War period totalled 356,000 or almost the number of those sent overseas; against this there stood the undoubted fact of emigration to the United States, which Canadian official records did not show but which the U. S. Commissioner of Immigration placed at 119,609 between July 1, 1916 and June 30, 1918. The situation as a whole was one in which a year or so of peace would work wonders; as it was there was no truth in current statements that a million Canadians had migrated to the United States during these years. Meantime, the actual National wealth of Canada had grown from an estimated total (The Canadian Bankers' Association) of $11,116,000,000 in 1914 to an estimate by the Dominion Statistician (R. H. Coats, F.S.S.) of $19,002,000,000 in 1918.

The Alien Enemy Question of 1918. By the 1911 Census there were in Canada 161,207 persons of German or Austrian birth and a total of 522,423 of German or Austrian origin; in a total population of 8,000,000 this constituted a problem, aside from the interesting fact that there had been a foreign immigration (chiefly European continent) between 1911 and 1914 of 396,633 persons. The problem was largely a Western one but it also affected the rest of Canada in its greater centres—especially Toronto and Montreal; with the further complication that the most troublesome element very often was Russian or some racial unit which was not classed as enemy alien—of Russians alone, over 16 years of age, there were about 11,000 in Montreal, 10,000 in Toronto, 10,000 in Manitoba, 16,000 in Saskatchewan and 6,500

in Alberta. Miss R. C. MacAdams, M.L.A., of Edmonton, stated the Western situation as follows to the Toronto *Telegram* on Apr. 27: "It makes one feel very sad to visit the West now. You see the country being cleared of our fine, Anglo-Saxon stock and the alien left to fatten on war prosperity: It is most disheartening. Out there aliens are getting as high as $16 a day. Some of them won't even loan their war earnings to the country. They bury it in the ground rather than do so. It's all very well for people to say that a great number of those aliens will develop into good Canadian citizens. But they should be sharing the sacrifice and service of to-day."

Based upon these and other reasons there was a considerable demand for (1) the compulsory work of enemy aliens for Government purposes at $1.10 a day or (2) internment. The Great War Veterans in many parts of Canada demanded such action and so with the Victoria League of Patriots, the Montreal Sons of the Empire, the Grand Chapter of the Royal Black Knights, Army and Navy Veterans of Regina, the British Imperial Association, Toronto; A. E. Donovan, M.L.A., Toronto, supported the idea; W. F. Maclean, H. S. Clements, Major R. C. Cooper, S. F. Tolmie, H. C. Hocken, Thomas Foster, Colonel J. A. Currie, in a Parliamentary debate of Apr. 22, favoured some form of Labour conscription as to these people. It was contended that Halifax was a danger point in the German spy system with 500 alien enemies running loose in the city, and the Halifax *Herald* believed that the information which led to the sinking of the *Llandovery Castle* came from there; in Montreal there were 16,000 enemy aliens on parole and supposed to report regularly with strong local suspicions as to various incendiary fires; the mining troubles at Drumheller, Fernie, Cobalt and Porcupine were believed to be largely due to this element. All kinds of anti-German proposals were made.

Senator G. H. Bradbury would have disfranchised enemy aliens for life; Senator Lynch-Staunton would have prohibited future trade with Germany and Senator Mason would have made it difficult to buy enemy goods even in days of peace; Mayor Church of Toronto and Dr. Forbes Godfrey and others would have barred the German tongue from all educational establishments. The difficulty of action in any of these directions was obvious. Internment of 100,000 aliens would have been very costly. The yearly cost in 1917 for maintaining Alien camps with a few thousand interned prisoners was $1,172,-082 while the families had also to be maintained in food and clothing and the country lost the economic value of their work. Compulsory labour was opposed to the Hague Convention which provided only for the compulsory labour of Prisoners of War and it would have been in violation of the 1914 Government pledge that if aliens remained peaceable citizens their property and rights would be respected. Moreover, Organized labour was strongly opposed to such action.

Meanwhile the Government had not been idle. The Finance Department had charge of collecting moneys, registering enemy properties in Canada and claims or debts due by persons in enemy countries to Canadians, and *vice versa*. These claims were dealt with by the Enemy Debts Committee, and particulars of the claims were forwarded to Canada's representatives at the Peace Conference. Under this condition came such properties as those of Alvo Von Alvensleben and the son of General Von Arnim in British Columbia, German shares in the Brazeau Collieries, Ltd., and the Rocky Mountain Collieries, of which the Assets were taken over. By Order-in-Council of Aug. 5th every enemy alien, and not only those of military age, had to report and register with full particulars of himself and his occupation and to receive a certificate which would compel certain continuous duties with direct control over his movements; an Order-in-Council of Apr. 16 prohibited the printing or publishing of all manner of seditious statements and another Order compelled everyone to work at some occupation or other, while still another put the I.W.W. and similar bodies under the ban. By other Orders importation of foreign-language or seditious anti-war journals from the United States were forbidden; by a belated Order of Oct. 1st publication of books, newspapers, magazines, or any printed matter in the language of any country or people for the time being at war with Great Britain was absolutely prohibited without a license

from the Secretary of State; the work of seditious aliens was more or less checked. Under the Registration arrangements of June, the Department of Justice had (by Oct. 17) full particulars of 34,912 aliens in its possession and was able to locate and watch them as required.

Of course there were many well-disposed aliens—even of enemy origin. The Czecho-Slovaks of Bohemia and other parts of Austria with 24 branches of a National organization in Canada; many Greeks, Armenians and Syrians of the Turkish Empire; thousands of Poles—German, Austrian or Russian—who proved their good-will by joining the Niagara-trained army for France; many of the Doukhobor settlers of whom one settlement sent a gift of 20,000 pounds of jam to the Military Hospitals Commission; Ukranians who, on Feb. 17, in a Winnipeg mass-meeting of 2,000 persons representing 250,000 of their race in Canada, pledged their loyalty and the mobilization of their labour forces for production and war purposes; the Jews of various racial types or associations who enrolled in large numbers in a Jewish Legion to help their people in Palestine.

Incidents of the year illustrating the bewildering nature of these racial problems in a country like Canada included the movement of the Hutterite or Moravian Sect from South Dakota into Manitoba and the ensuing complications of a religious and educational nature; the German Mennonite invasion of Alberta, Saskatchewan and northern British Columbia from Kansas, U.S.A., and the indignant protests of large sections of the population in those Provinces; the fact of three Germans and one Austrian (two of them said to be ex-officers) being employed at good salaries at the Dominion Experimental Farm, Ottawa; the declaration of D. B. Hanna of the C.N.R., (Mch. 6) as to "lamentable conditions" in the Vancouver Island mines where alien miners demanded from $6 to $15 a day for their labour while "our own flesh and blood struggle in the trenches for $1.10 a day." There was the curious case of Bishop Nicolas Budka of the Ruthenians who in a pastoral letter issued in July, 1914, at the outbreak of the War but before Great Britain entered the struggle, called upon all Canadian Ukrainians to return to Austria and fight for that country; who was said to be an unnaturalized Austrian subject and was twice arrested and once tried and acquitted; who in various speeches in Saskatchewan and elsewhere (in English) proclaimed Ruthenian loyalty and stood out clearly for Canada with the strong support of loyal Catholics in Ontario. There were the arrests, trial and conviction of many Bolshevist Russians and of individual Germans in all parts of Canada—though not many in comparison to the total racial population; there was the official estimate in October that under treaties negotiated with the different countries 25,000 young Italians, Belgians, Greeks and Frenchmen would become available for military service.

Municipal Interests and Affairs. The War greatly affected Canadian municipalities but, by 1918, they had got their houses pretty well in order with a few exceptions—reduced expenditures, eliminated extravagances, restricted borrowings. They had done much for the War and the details of Toronto's contribution may be given to illustrate what many lesser centres, in proportion, also did. The Finance Commissioner, Thomas Bradshaw, in his 1918 Budget (Apr. 2) stated the main items as follows: Patriotic relief and other grants, $2,262,232; Life insurance, enlisted citizens, $4,166,938; wages of enlisted Civic employees $1,561,223; War protection of City property, 439,035; Charges an War debenture Debt, $969,360; Provincial War-tax, 1915-18, $2,342,231 with lesser items making a total of $11,944,988. The Victory Loan Subscription of 1917 was $78,132,000.

Substantial progress was made by Toronto in this year. The population increased by 15,832 over the 473,829 total of 1917; the Assessments were $624,207,889 or an increase of $21,268,650 in the year; Mr. Bradshaw's financial statement for the year ending Dec. 31, 1917, showed an increased expenditure of $1,227,102, compared with $6,184,360 in 1916, $7,919,829 in 1915, $12,252,404 in 1914, $15,237,739 in 1913. The gross funded Debt was $100,323,433 or an increase of a little over 2 per cent. in the year and the

revenue-producing part of the Debt was $55,430,058—the total, however, being $8,064,843 under the limit allowed by law. The actual expenditure for 1917 was $18,624,657, the estimated expenditure for 1918 was $24,046,655. The question of Tax exemptions came up during the year but the per centage in Toronto was small as compared with other Canadian cities as the following (1916) figures showed:

City	Assessed value for taxation	Exemptions not included	Per cent.
Toronto	$581,951,013	$81,527,539	12·33
Vancouver	139,463,435	74,895,475	34·94
Ottawa	111,028,756	39,449,320	26·32
Montreal	612,539,761	206,760,692	25·23
Quebec	70,872,138	17,917,025	20·18
Brantford	17,672,000	3,709,000	17·34
Hamilton	81,346,235	16,099,085	16·52
Victoria	87,943,650	15,943,650	14·99

As to the Debt Mr. Bradshaw pointed out in his Report that in recent years the city had invested $45,000,000 in Utilities affording special privileges or services: "Where the income from any of these special services is insufficient to meet the entire charges, an unjust burden has been placed upon the taxpayers." The Canadian National Exhibition of Toronto had a successful year, but did not reach the million mark in attendance—the total being 946,400, compared with 917,000 in 1917. T. A. Russell succeeded Lieut.-Col. Noel Marshall as President, by acclamation, and held the institution in its proud place as the greatest permanent Exhibition on the continent. Incidents of the year included a vote of $75,000 to the Y.M.C.A., a Council declaration in favour of a Referendum re abolition of the Dominion Senate, the Toronto subscription of $147,943,000 to the Victory Loan, the appointment of a Civic Housing Committee in August—T. Bradshaw, J. C. Forman, W. W. Pease, R. C. Harris and Dr. C. J. O. Hastings—with a report of 75 pages opposing Government aid in building or City action of any constructive kind. As to other cities Prince Albert, Sask., had the unique Canadian experience of defaulting in its debenture interest—with a Debt of $3,489,978, or $581 *per capita*, an unwise extension of city limits, taxation upon a wrong basis, excessive expenditures and inexperienced administration, as the causes; Ottawa, the capital city, had 104,007 of a population in 1918 and an Assessment of $114,627,313. The exports and imports of the Ocean seaports of Canada in the 4 years of war were as follows: Montreal, $1,814,291,831; St. John, $601,263,664; Halifax, $194,533,341; Vancouver, $188,053,203; Quebec, $94,617,521. The Municipal borrowings of Canada by Provinces were as follows:

British Columbia	$4,534,574	Quebec	$24,500,000
Alberta	3,179,155	New Brunswick	868,000
Saskatchewan	2,913,234	Nova Scotia	451,100
Manitoba	5,638,350		
Ontario	16,500,000	Total	$58,584,413

Montreal, with the annexation of its Maisonneuve suburb, in 1918 attained an area of 50 miles compared with Toronto's 32 miles and, if its other suburbs of Westmount, Outrement and Verdun were included, would have been the 4th largest city on the Continent with a population of 765,000—without the suburbs the population was about 700,000. In 15 years the revenues of the city had increased 450 per cent. and the estimate for 1918 was $17,600,000 compared with $10,861,577 in 1910 but there had been, latterly, large deficits with an expenditure of $161.78 per head—second only in the chief cities of the continent to that of New York. The Debt was $105,000,000 or about the same as the gross Debt of Toronto. Much local criticism arose over the increase in the Civic Salary list which in 1912 had been $2,616,000 but in the 4 years of war had averaged $4,000,000. The re-election of that extraordinary politician, Médéric Martin, M.P., as Mayor for a third term took place on Apr. 2 with

a majority of 7,270 over Joseph Ainey, Labour representative on the Board of Control; Col. J. J. Creelman and Hon. C. Marcil, M.P., were elected to the Council. The citizens subscribed $224,179,750 to the Victory Loans of 1917-18; they also sent $85,855 to the relief of Halifax. On Apr. 6 it was announced that R. A. Ross, C.E., E. R. Decary, Alphonse Verville, M.P., Charles Arnoldi, City Treasurer, and Mr. Marcil had been appointed by the Quebec Government, under recent special legislation, as the new Board of Administration of the City. Mr. Arnoldi retired a little later and on June 5 Gaspard de Serres was appointed City Treasurer and 5th member of the Board.

Meanwhile, a Bureau of Municipal Research had been surveying City conditions and had reported early in January with various recommendations as to water supply and hydro-electric power; a series of proposals as to City management and the proper financial policy to be pursued, a most scathing condemnation of the City Police force and current conditions of immorality and corruption. The police were denounced for inadequate training, absence of discipline, political dictation and partisanship, insufficient protection to citizens; it was declared that commercialized vice and professional gambling were tolerated and through raids and fines turned into a corrupt system of license; it was pointed out that no real action was taken against the owners of these houses numbering over 300 and the so-called Morality Squad of the Police was vigorously criticized. The conditions were said to be so bad that the military officials should be called in to deal with them. Following this a still more unsavoury incident took place in the trial of Capt. G. Savard, the officer in charge of No. 4 District, who was said to be hand and glove with the disorderly and vicious element of Montreal's underworld. On May 15 he was dismissed from his post. Joseph Tremblay, who was appointed Director of Public Safety, undertook the suppression of these resorts and told the Rotary Club on July 22 that he had been offered $30,000 in bribes within a month; the strikes which ensued later on caused his retirement. On Oct. 3 Montreal had its Street Railway fares raised to six cents with workmen allowed six tickets for 25 cents.

The chief organization of Canada in this general connection was the Union of Canadian Municipalities and its Provincial branches. Its 18th annual Convention was held at Victoria, B.C., on July 9-11 with the following special papers read: The Maintaining of Montreal Credit by Thomas Bradshaw, Commissioner of Finance, Toronto; The Consolidated Railway Act by W. D. Lighthall, K.C., Hon. Sec. Treas., U.C.M.; Uniform Municipal Accounting by H. J. Ross; National and Municipal Housing by Thomas Adams; Municipal Responsibilities as to Land Development by J. N. Bayne, Regina. W. D. L. Hardie, Mayor of Lethbridge, was in the chair. There were many addresses—Hon. John Oliver, Premier of British Columbia, Hon. Wilfrid Gariepy of Edmonton, Mayors M. C. Costello, Calgary, R. H. Gale, Vancouver, T. D. Bouchard, M.L.A., St. Hyacinthe, A. C. Hawkins, Halifax, etc. Mr. Gariepy declared that the time had come when the people must finance their own cities, when the Banking system must be reorganized, when authority at Ottawa must be decentralized, and the status of civic employees improved. Mr. Lighthall described various fights for municipal rights at Ottawa, and notably that over the Toronto and Niagara Power Co., and dealt with the work of Thomas Adams in Town Planning. During the discussions the financial burdens of the War, its effect upon Municipal ownership of Utilities, the question of securities and loans and arrears of taxes, the regulations between Eastern and Western municipalities, came up frequently.

Resolutions were passed (1) expressing regret and alarm at the changes made by the Senate to the clauses of the Bill consolidating the Railway Act—particularly as to the necessity for obtaining consent of the municipal authority by by-law, previous to constructing works on streets, highways and public places, and also as to admission of easements and servitudes for expropriation by public utility and railroad companies in cities, towns and villages; (2) appointing a Committee consisting of the President and Hon. Secretary, together with the general officers of the Provincial Unions, with power to redraft the constitution of the Union; (3) declaring it highly desir-

able that maximum prices, at which all food stuffs should be sold to the consumer, be permanently fixed by the Government. On July 10 a joint Conference was held on National and Municipal Housing with the Civic Improvement League and resolutions passed: (1) Urging all governing bodies to seriously consider the question of Housing reform, in order that the plans might be laid for the provision of adequate facilities looking towards the increase of home ownership; (2) approving the general principle of each Province having adequate powers to prepare comprehensive town planning schemes, to regulate housing developments, and to secure improved sanitary conditions.

The elections for 1918-19 were Dr. M. C. Costello, Mayor of Calgary as President with T. D. Bouchard, Mayor of St. Hyacinthe, A. E. Todd, Mayor of Victoria and Harold Fisher, Mayor of Ottawa as Vice-Presidents. W. D. Lighthall, K.C., remained Hon. Secretary-Treasurer and G. S. Wilson. Montreal, Ass't. Secretary with *The Canadian Municipal Journal* as the official organ. As to the Provincial organizations the Union of Alberta Municipalities met at Medicine Hat on Oct. 10 and discussed many local questions. Mayor J. B. Holden of Vegreville presided and Dr. Chrystal of Carstairs was elected President; the Saskatchewan Union met at Regina on June 5 and was opened by Sir R. S. Lake, Lieut.-Governor, with Mayor W. W. Davidson in the chair and Provincial, urban, and rural taxation, the taxation of Soldiers' lands, and the arrears of Taxes Act, as the chief subjects of discussion; the Nova Scotia U.C.M. met at Lunenburg on Aug. 30 with addresses by Prof. W. S. Blair, W. B. MacCoy and others and the election of Hiram Goudey, Yarmouth, as President; the Union of B. C. Municipalities met at Penticton on Sept. 19-20 with the proposed Municipal Act of the Province as the central theme of discussion, with addresses by Hon. J. D. McLean and Hon. J. W. de B. Farris of the Provincial Government and with statistics presented showing that the taxes collected by Municipalities in 1917 were $10,701,000 to meet uncontrollable expenditures, alone, of $9,045,000.

The Ontario Municipal Association waited upon Hon. W. D. McPherson, Provincial Secretary (Jan. 30) and asked amendments to the Municipal Drainage and Municipal Acts; for organization of Police in villages of territorial districts by the Ontario Railway Board; for authority to fix rates and provide for more prompt collection of business and income taxes; for authority to pass bylaws regarding the parking of motor cars; for power to change Medical officers of health under certain conditions. Its 20th annual Convention met at Toronto on Aug. 28-30 with S. H. Kent, Hamilton, in the Chair and addresses by Sir William Hearst, W. A. McLean, Deputy Minister of Highways, K. W. McKay of the *Municipal World* and others. A number of women delegates were present for the first time and papers were read by Samuel Price of the Workmen's Compensation Board, J. C. Forman, Toronto, Ald. H. B. Ashplant, London, and others. There were other municipal bodies doing active work in Canada such as the Alberta Association of Rural Municipalities which met at Edmonton on Feb. 6 and passed a series of Resolutions as to Homestead regulations; requested the Provincial Government to raise the rates of taxation on lots and blocks of Subdivisions to 50 cents and $1.00 respectively; heard some important addresses and elected Herbert Greenfield of Westlock, President.

The Executive of the similar Rural Association of Saskatchewan met at Regina (Jan. 18) and passed Resolutions in favour of Conscription of labour and homestead taxation; its annual Convention at Moose Jaw on Mch. 6-8 was addressed by Sir R. S. Lake, J. N. Bayne, and others, presided over by C. M. Hamilton and passed Resolutions for the Government expropriation of all speculative lands to be used in a Land Settlement scheme for returned soldiers, and for an immediate provision of small holdings for truck gardens in the unoccupied subdivisions of the larger towns and cities. The Western Canadian Municipal Council was created at Moose Jaw on Mch. 7 with C. M. Hamilton of McTaggart, elected as Chairman and E. G. Hingley as the other Saskatchewan member; D. D. McDonald, Dauphin, President, and Robert Forke, Pipestone, Secretary, of the Manitoba Union of Municipalities, as members for that Province; H. Greenfield and W. J. Jackman from Alberta.

The aim was to enable its members to study municipal matters pertaining to Western Canada, with the object of unifying legislation in the three Provinces —especially as to the exemption of Soldiers' lands from taxation; and the question of arrears of taxes on homesteads and other lands. At Montreal on Aug. 28 a Convention was held of the Municipal Executives of Quebec Province for the purpose of discussing recent Municipal legislation and changes and to hear an address from Oscar Morin, K.C., Deputy Minister of Municipal Affairs. Amongst those present were the Mayors of Montreal, St. Hyacinthe, Farnham, Ste. Agathe, Magog, Longueuil, Montreal East and South, Lachine, St. Lambert, Outremont and other Civic representatives. Mayor T. D. Bouchard presided and a Committee was appointed to draft a constitution for the proposed Provincial Union of Municipalities.

The Great War Veterans of Canada. During 1918 the soldiers returning from the front—at first wounded or incapacitated and then under demobilization—bulked largely in the public eye; in opinions and organized policy they were represented by the G.W.V.A. which, by the middle of the year, had 16,000 members and was aggressive in its presentation of opinion. On Feb. 13th 2,000 returning soldiers had arrived at Halifax and on Mch. 18 another 5,000 including many "Original Firsts" on rest-leave for the first time since 1914; then came a rush the other way to meet War emergencies while in October the returning stream commenced again with about 5,000 early in that month; in December demobilization became effective with thousands arriving at Halifax every week. These movements of men strengthened the membership and influence of the G.W.V.A. which had been organized in 1917* in order to perpetrate unity and co-operation amongst veterans, to help them in sickness and in work, to guard their interests in legislation and life generally, to inculcate loyalty to Canada and the Empire, and of which Lieut.-Col. W. P. Purney of Halifax was President and N. F. R. Knight, Secretary, with headquarters at Ottawa. Progress was marked by the grant of a new and improved incorporation late in the year; its charter of work was aided by the continued publication of *The Veteran* as the organ of the Association; its membership was estimated at 50,000 and the number of branches at 200 by the end of the year compared with 3,884 members and 27 branches a year and a half before.

In January Mr. Knight made a tour of the West speaking at Winnipeg, Moose Jaw, Vancouver, Victoria, Calgary, Regina and other points, with some rather severe comments upon the military policy of the late Borden Government. On Apr. 15 he retired from the Secretaryship on account of ill-health and R. M. Stewart was appointed to the post. Meanwhile, during the last week in March, delegates of the Association had been in conference with Sir Robert Borden and presented a Petition which urged that aliens of enemy origin should be employed in work of national importance, or industries essential to the winning of the War, under proper surveillance, and their employer for the time-being made responsible for them; that the earnings of such aliens over and above an amount equal to the pay and allowance of a Canadian soldier be taken by the Government for war purposes or that, failing their being employed, such alien enemies be interned; that measures be taken at once to make the Military Service Act applicable to all Allied aliens in the same manner and to the same extent as to the citizens of Canada; that no enemy alien should any longer hold public office, and that all questions having to do with the alien be taken out of the hands of the Provincial authorities and placed under Federal direction; that an Alien Registration Bureau be established as in Great Britain; and that all enemy alien newspapers be suppressed; that no person of alien birth, whether naturalized or not, be permitted to have in his possession any firearms of any description. The Premier did not see his way to definite action on all these points.

The 2nd G.W.V.A. Convention was held at Toronto, on July 29-Aug. 3, with about 200 Delegates in attendance and Colonel Purney in the chair. Formal welcome was given by the Lieut.-Governor and Mayor Church; some

*Note.—For origin and formation see 1917 Volume.

of the representative soldiers in attendance were Pte. Harris Turner, M.L.A., Regina, Pte. F. Giólma, M.L.A., Victoria, Major G. W. Andrews, D.S.O., M.P., Winnipeg, Lieut.-Col. J. J. Creelman, Montreal, Col. W. Hendrie, Hamilton, Lieut.-Col. D. F. Pidgeon, Ottawa, Lieut.-Col. A. T. Hunter, Toronto, David Loughnan, Vancouver, Major C. G. Power, M.C., M.P., Quebec, Rev. C. E. Jenkins, Brantford, Major L. M. Bidwell, Saskatoon, Rev. Dr. Bruce Taylor, Kingston. There was a serious altercation in the Convention—the Winnipeg and Ottawa delegates deeming their suggestions and proposals to be unfairly treated, claiming that the body was not representative, and demanding proportional voting; on the 31st they walked out of the Convention but, later on after consultation, an agreement was reached that certain subjects should not be dealt with at this meeting and they then returned. Another matter in dispute was the propriety of men in uniform criticizing their military superiors and, because of this, Col. Pidgeon, President of the Ottawa Branch, resigned his position.

An address was given by F. G. Robinson, Deputy Minister of Soldiers' Re-Establishment, who stated that 30,000 interviews had been secured from men returning from Overseas regarding vocational training, that 2,466 soldiers were being refitted for civil life through these courses, that the Government had contributed allowances to dependents of soldiers while studying or training for a trade. Major E. J. Ashton, D.S.O., of the Land Settlement Board, stated that $690,000 had so far been loaned to 606 applicants with 118 loans pending and 230 refused and that 12,000 quarter-sections in Alberta had been expected but only about 5,000 were actually available. The following officers were elected: President—Lieut.-Col. W. P. Purney; Vice-Presidents—Lieut.-Col. W. Hendrie and V. Wakefield, Calgary; Executive—David Loughnan, Thomas Dace, L. M. Bidwell, Major R. D. Ponton, H. H. Patchell, B. W. Russell, Major G. W. Andrews, D.S.O., M.P., N. W. Lowther, Lieut.-Col.A. Mackenzie Forbes. The many and lengthy Resolutions passed may be summarized as follows:

1. Urging a Federal Land Settlement Scheme—including the appointment of a Cabinet Minister in sole charge of rehabilitating the returned soldier.
2. Asking for a Special meeting of Dominion and Provincial Governments with the G.W.V.A. in order to draft a suitable Land Settlement policy.
3. Declaring that all enemy aliens not engaged steadily in work of national importance should be interned and employed in such work under military rule; that various stated restrictions be placed on these people, the publication of their language papers prohibited and all those employed in Government Departments discharged; that aliens of Allied countries, by new treaty arrangements, be conscripted for military service.
4. Urging all Provincial and Municipal authorities to issue no further licenses to Allied aliens for non-essential business occupations and that a preference be accorded returned soldiers in such matters.
5. Asking the Militia Department to in future appoint to positions of military importance those who had seen service in France.
6. Demanding an increase in the scale of Pensions adequate to the increased cost of living and making a variety of suggestions as to details and administration.

An unpleasant incident of the Convention was a riot on Aug. 2nd in which a dozen restaurants, etc., largely run by Greeks and other foreigners, were raided by a mixed mob of soldiers and civilians and much injury done—afterwards placed at $44,000. The Police did not at first seriously interfere except at one point; the number of returned men actually engaged was not numerous and the trouble originated in the ejection of a crippled soldier from one of the cafés on the previous evening. On the following night the riot was continued with a series of encounters between the Police and the mobs and the free use of batons by the former; the wounding of a couple of dozen per-

sons and arrest of ten; the alleged rough treatment of women and crippled men who got mixed up in the crowds; undoubted injuries inflicted upon Lieut. Col. A. T. Hunter who in the ensuing investigation testified clearly as to the action of the Police and wrote several letters to the press which were both caustic and clever.

The Convention on Aug. 3rd passed this Resolution: "We, the G.W.V.A. as composed of returned soldiers, condemn the grave breach of civil and military discipline taken part in by some returned soldiers in the city of Toronto yesterday. It is just such actions as these that hamper the work of the G.W.V.A. and bring our cause into disgrace throughout Canada in the public mind." Rioting continued on the 5th and on the 6th a large gathering of returned men and their friends, 5,000 or so, met in Queen's Park and protested against the Police action; another attempt was made to renew the riotous proceedings which drew a warning Proclamation from the Mayor and the arrival of 500 soldiers in the city to preserve order. Several more persons were injured in these later troubles. In the ensuing investigation by the Board of Police Commissioners many witnesses were heard and in a report published on Oct. 19, the difficulty as to non-suppression of the riots was blamed upon the relations of the Military and the Police; the responsibility for the succeeding too vigourous suppression was not directly placed; some policemen were dismissed and some promoted.

Various Provincial Branches of the G.W.V.A. held meetings during the year. That of Ontario (organized on Mch. 18, 1917) met at Hamilton on May 23-26 with Rev. C. E. Jenkins, Brantford, in the chair and 100 Delegates present. The President declared in his speech that profiteering, pacifism and aliens unjustly profiting in war time must be dealt with; he also suggested Apr. 23, Ypres Day, as a memorial Day for national observance; 60 Branches and 12,000 members in Ontario were reported. Resolutions were passed favouring Pensions commensurate with the cost of living, condemning the Government for not taking action as to aliens, asking the Government to commandeer all food in cold storage. Others asked that the Ontario Government advance money without interest to returned city men to build houses; that hospital rates should be specially fixed for dependents of soldiers; that mentally afflicted soldiers be provided with asylums for soldiers only; that returned men to be trained for mine-work should receive vocational training at the mines; that the Dominion Government take up a Federal scheme of Life insurance for men Overseas; that a monument dedicated to the mothers and wives of men who have been killed in action and to those who have served and are serving at the front be erected. Mr. Jenkins was re-elected President.

The 3rd annual Conference of the British Columbia Branch opened at New Westminister on May 1st. Organization was the vital point of discussion, the Government was asked to dismiss alleged Germans in its employ and to replace the Patriotic Fund by taxation; the Governments concerned were asked to appoint returned men on the various Commissions relating to Reconstruction; the Dominion Government was urged to conscript wheat, to fix a price which allowed a fair profit to the grower, and, after all home needs were supplied, to hold the balance for export at the price fixed in the open markets of the world. It was urged that Indian reserves be utilized for returned soldiers and grazing lands given in exchange; that aliens of all kinds be compelled by legislation to take the oath of allegiance or lose rights granted to them under the law. David Loughnan of Vancouver was re-elected President. The Convention for Saskatchewan was held at Saskatoon on July 1; Lieut.-Col. James McAra presided and spoke of 2,700 members and a Provincial grant of $10,000; in various speeches dissatisfaction was expressed as to the Land Settlement scheme and its progress. Resolutions were passed asking for better Provincial protection of the property of men Overseas; supporting amalgamation with Army and Navy Veterans and condemning the Government for not more strongly enforcing M.S.A.; calling for English as the "only language" of instruction in Provincial schools and urging suppression of enemy language journals; expressing appreciation of the Nurses and their devoted war service; urging equality of pension as between officers and men and asking the Govern-

ment to fix a "reasonable maximum price on all household commodities." Commissioner C. F. Roland of the Land Settlement Board, stated that of the 22,000,000 acres of land in the West turned over to the Commission, 85 per cent. had been turned back as unsuitable or too distant from railways. Colonel McAra was re-elected President, Harris Turner, M.L.A., and D. Hart, Vice-Presidents.

As to individual members and minor organizations of the G.W.V.A. there were during the year, a multitude of Resolutions and expressions of opinion. There was much similarity in the views stated—especially as to Pensions, Aliens, and Land Settlement; discussions were frequent as to local appointments and the right of returned men to all fitting vacancies, to positions held by soldiers who had not been at the Front, to a preference in various forms; there were many efforts by Labour bodies to assimilate or control G.W.V.A. branches but on the whole without effect— in Winnipeg and Vancouver, notably, the latter held aloof; the Winnipeg Branch urged the Prime Minister of Canada to administer lands for Soldier Settlement and not hand over control to the Provinces; the Central Branch, Toronto (Mch. 18) asked for a sort of National referendum at all Elections, without parties or politics, and that the Government should give each of two candidates $1000 for his expenses; the Quebec Branch on Apr. 1st protested by Resolution against the alleged seditious utterances of Henri Bourassa in *Le Devoir* and asked for the suppression of that journal. Lieut.-Col. F. D. Pidgeon, President of the Ottawa Branch, issued a statement on June 22 severely criticizing certain alleged utterances of Mrs. Gordon Wright, President of the W.C.T.U. "We would point out that we have been neither debauched nor degraded by liquor or from other causes. Mrs. Wright is unduly agitated at the thought of loving mothers and sisters still continuing to send tobacco and cigarettes to their dear ones in France." He pointed out how much the soldiers desired and needed tobacco. The Ontario G.W.V.A. on Nov. 18 protested strongly against the exemption from punishment of defaulters under the M.S.A. The Alien situation in Canada evoked Resolutions from Halifax, Toronto, Hamilton, Winnipeg, Ottawa, Victoria, Vancouver, Kingston and many other branches.

Meanwhile, the Government had been doing much in the line of preparation to re-assimilate this large body of men into the community. There were Government Committees, a special Minister, a Land Settlement scheme, Demobilization plans, a Hospital system with 11,000 in charge during March, a careful Pension system, the development of vocational training. There was, also, the work of the Provincial Soldiers' Aid Commissions, the appointment of a Court of Inquiry into certain alleged conditions on soldiers' transports—Lieut.-Col. H. D. Hulme, Majors D. R. Morton and F. E. Hicks; there were special Homestead privileges in the West granted to men on active service; there was the building of Hospitals in various centres for proper treatment of invalided men; there was a vote by Parliament on May 18 of $2,900,000 for current advances to Soldier settlers; there were such popular grants as $26,000 from Toronto to the G.W.V.A. $50,000 from the Ontario Government, $10,000 from the Alberta Government, $15,000 from the City of St. John, etc.

There were a number of other Soldiers' organizations in Canada. The Army and Navy Veterans was an incorporated body with headquarters in Winnipeg, which held a Convention there on May 11 and organized as a national body. There was an Original Firsts' organization in Toronto, a Canadian Association of Returned Soldiers at Ottawa and other places in Ontario, a Great War Next of Kin Association in Calgary, etc. The Grand Army of Canada was, however, the most important and was organized in Toronto on Oct. 10 with the stated purpose of having an independent Society absolutely free from any political party and independent of any Government, Council, or Corporation. The membership was open to all men and women who had been in uniform during the War, on the pay-roll of the Government for duty in Canada or the United States, in England, France, or at any other theatre of war; also all Veterans in the Army or Navy and all soldiers and sailors in the Allied Forces. Its platform demanded equalization of pensions and preference over foreigners in employment and that no alien enemy be

allowed to enter Canada for many years; absolute abolition of all patronage and the returned man to have preference in Government employment were insisted upon. H. W. Parsons of Toronto was the first President, W. E. Logan and S. J. Brown, Vice-Presidents.

By the Soldier Settlement Act of 1917 a Board was established under the Department of the Interior with head office at Ottawa and branch offices at Montreal, Toronto, Winnipeg, Regina, Edmonton and Victoria; in Nova Scotia the Returned Soldiers' Commission, in New Brunswick the Farm Loan Board and in P. E. Island the Department of Agriculture represented this Board. It was authorized to make loans to returned soldiers for the purpose of acquiring land for farming, the erection of farm buildings and the purchase of stock, machinery and equipment. The amount of every loan was to be based on the value of the land or other security given. Every loan was to be a first mortgage or first charge on the land, with interest at the rate of 5% per annum and was to be repaid in equal annual instalments within 20 years, The responsibility of the Minister and the Board included (1) the agricultural training, where necessary, of returned men; (2) the passing upon the qualifications of applicants; (3) the providing of land with assistance in financing and subsequent supervision. From January to November the Board was composed of S. W. Maber, Major E. J. Ashton, D.S.O., and C. F. Roland of Winnipeg; on Nov. 27 Mr. Meighen announced the appointment of W. J. Black as its Chairman. Meanwhile the Agricultural Training Branch, the Lands Branch, the Equipment Branch and the Loans Branch had been formed and fully organized with $1,239,000 advanced to returned soldiers—975 applicants accepted out of 1,460.

The I. O. D. E. During 1918. The Imperial Order, Daughters of the Empire continued its important work during this year. The annual Convention was held at Toronto on May 27-June 1 with Mrs. A. E. Gooderham in the chair for the 7th time; it had 700 Chapters, a membership of over 40,000 and a record of $4,000,000 raised for Patriotic purposes since the beginning of the war. Addresses were given by Mrs. W. C. Hodgson, Montreal; Mrs. Angus MacMurchy, Toronto; Mrs. C. H. Campbell, Winnipeg; Mrs. Hasell, Victoria; Mme. T. Chase Casgrain, Montreal; Mrs. G. H. Smith, St. Catharines; Mrs. F. H. Sexton, Halifax; Mrs. R. R. Morgan, Saskatoon, and others. Resolutions were passed (1) alloting moneys received from the Order's special appeal for France to apply in furnishing houses or huts to be built in devastated French areas; (2) appointing a Committee to draft a new Constitution for the Order giving proportional representation to the Provinces on the National Council; (3) expressing regret that through the National Council of Women affiliation had been maintained with women of enemy countries, requesting a statement repudiating further relations until Germany had been re-instated in International councils and, meantime, declaring it impossible for the I.O.D.E. to remain in federation with the National Council of Canada; (4) approving a proposal urged by Mrs. Colin H. Campbell, Winnipeg, and Mrs. A. W. McDougald, Montreal, in favour of a Federal Child Welfare Bureau to inquire into and tabulate information as to various and vital problems affecting child life.

During the Session Mrs. George H. Smith, Educational Secretary, reported a striking record of work in respect to travelling libraries, exhibits of historical pictures, books sent to schools, slides used in school and other lectures, etc. For the year 1917-18 collections of $1,044,205 were reported for the whole Order. The reports showed an infinite and great volume of war-work—the Toronto chapters, for instance, raising $97,041 in the year with 250,000 articles made for soldiers and many packages of smaller articles also sent. The year's work, in general, showed assistance in the furnishing of Veterans' clubs and hostels, much canteen work, interest in the St. Dunstan's Home for Blind Soldiers and special appeals throughout the country for the Navy League and Halifax sufferers. The Border Chapter in Windsor raised $25,773—the record for primary Chapters under the jurisdiction of the National. At least 20 Chapters collected over $3,000 each, and another 20 between two and three thousand.

Mrs. Gooderham was re-elected President with the following Vice-Presidents: Mrs. E. F. B. Johnston and Mrs. W. R. Riddell, Toronto, Mrs. J. C. McLimont, Quebec, Mrs. B. M. Hasell, Victoria. Mrs. D. McGillivray was appointed Secretary, Mrs. John Bruce, Treasurer, Miss Constance R. Boulton, Organizing Secretary—all of Toronto, and Mrs. G. H. Smith, Educational Secretary.

The Provincial and other Chapters of the Order did an immense volume of work during the fiscal year. The Province of British Columbia reported 30 new Chapters formed and $18,552 raised; the Municipal Chapter of Regina handled $30,000 in funds during the year and that of Winnipeg over $18,000; that of Victoria forwarded 11,174 woollen articles for the soldiers during the year and Halifax established a Home for mentally deficient children; Mme. Chase-Casgrain travelled through Canada in the interest of her Relief Fund for French women and children and the re-building of homes in devastated France, and spoke at Winnipeg, Calgary, Edmonton, Regina, Vancouver, Victoria, Toronto, St. John and many other places; the B. C. Provincial Chapter urged the organization of a Canadian W.A.A.C., or Women's Army Auxiliary Corps; the Saskatchewan Chapters raised $109,000 during the fiscal year and under Mrs. W. M. Martin's leadership did much war-work; a new wing of the I.O.D.E. Preventorium in Toronto for the cure of infants suffering from Tuberculosis and costing $35,000 was got under way; the I.O.D.E. Canadian Nurses' Home in London, England, was opened during March; everywhere the Order worked for food conservation and production, for the victims of Influenza, for a thousand different patriotic objects and purposes.

Women's Organizations in 1918. The progress of Canadian women, in what they considered an advanced sphere, was very great during this year. They obtained the right of a Federal vote and a woman was elected in each of the Legislatures of British Columbia, Saskatchewan and Alberta; they were admitted by the General Methodist Conference to all the rights of laity though still debarred from the Ministry; they filled various new positions and four were appointed police-women in Montreal; a Woman's Aid Department was created to take the place of men in the Military Hospitals; McGill University admitted women to the study of Medicine. Amongst Canadian women, honoured in different ways, were Lady Williams-Taylor of Montreal who was presented with a testimonial from the French Government in recognition of her work for France; the Misses Irene and Leila Brady of Ottawa who were given the Royal Red Cross for Nursing services; Mrs. A. E. Gooderham, Toronto, who was officially reported to the British Government for valuable War services; Mrs. Innes-Taylor, Toronto, who received the Order of Elizabeth from the Queen of the Belgians; Lady Drummond, Montreal, who was created a Lady of Justice by the King in the Order of St. John of Jerusalem.

A Women's War Conference, called by the Government, was held at Ottawa on Feb. 28-Mar. 2 with delegates present from all the War-time organizations of Canada and such official representatives as Mrs. A. E. Gooderham, President I.O.D.E., and the following Presidents of other organizations: Miss Jean I. Gunn of the Association of Trained Nurses, Mrs. L. A. Hamilton of the National Equal Franchise League, Mrs. F. H. Torrington of the National Council of Women, Mrs. Gordon Wright of the W.C.T.U, Mrs. J. S. Wood of the Women Grain Growers of Manitoba, Mrs. Walter Parlby of the United Farm Women of Alberta, Mrs. S. V. Haight, of the Saskatchewan Women Grain Growers, Mme. Gérin-Lajoie of La Fédération Nationale St. Jean Baptiste, Mrs. Arthur Murphy of the Canadian Women's Press Association and about 75 others. They were addressed by H. E. the Governor-General and Messrs. Rowell, Crerar, Foster and Robertson of the Government. The subjects discussed in separate Sections were National Health and Child Welfare, Agriculture and Production, National Registration and Industrial Activity, Thrift and Economy.

Mrs. H. P. Plumptre, Toronto, was elected Chairman and Resolutions passed: (1) favouring compulsory measures to conserve food, the issue of War Loan stamps or certificates of 10 cents and upwards for school children, the establishment of Daylight Saving, the cultivation of vacant lots in towns and

cities, control of cold storage plants and prevention of hoarding; (2) urging establishment of a Federal Health Department, conservation of infant life and Government action as to Venereal disease; (3) presenting a list of occupations in which women might relieve men for essential war-work with equal pay for equal work, supporting a minimum wage for women, advocating technical school facilities for women and the organization of a Federal Labour exchange; (4) suggesting various details as to Registration so as to make available the resources of women for national work; (5) urging that women be trained for war-time agricultural work at the Colleges and that Governments exercise control over the wages paid them by farmers; (6) expressing appreciation of the Government's Prohibition policy.

Of Canadian Women's organizations the National Council of Women was conspicuous for its study of social problems, its public efforts along lines of moral and social improvement and as a centre for work of this nature in each Province and in all the chief cities. The annual Convention was held at Brantford on June 11-15 with Mrs. F. H. Torrington presiding; 51 Local Councils were reported with 29 nationally or Provincially organized Societies in affiliation with the National Council; the affiliation of the four Western women's Grain Grower organizations was announced. Strong criticism of the Senate was expressed and a vigourous Resolution passed as to its action in throwing out the age of consent changes in Mr. Doherty's Bill. Other Resolutions were passed looking to the better protection of women, better housing and living quarters for working girls; favouring a National Conference on Education, approving the Women's Patrol system of Great Britain, urging the creation of Ottawa as a Federal District, asking a Government recognition Badge for V.A.D's. A secret Session was held to discuss the retirement of the I.O.D.E. on account of the maintenance of affiliation with German women through the International Council and a Resolution was passed declaring that the work of women in internationally organized associations, (with the exception of the Red Cross) had, since the beginning of the War, been in abeyance: "The National Council of Women is exactly in the position with regard to International affiliations as the Y.M.C.A., the Y.W.C.A., the W.C.T.U., etc., and like these international associations, the National Council of Women is waiting until the War is over before pronouncing on its policy. One fact is certain, that the National Council of Women will act in harmony with the other National Councils of Women of the British Empire."

H. E. the Duchess of Devonshire was elected Hon. President, the Marchioness of Aberdeen and Temair remained Advisory President and Mrs. W. E. Sanford, Hamilton, was elected President, Lady Falconer and Mrs. R. D. Fairbairn Secretaries, and Mrs. George Watt, Treasurer. *The Woman's Century*, under the capable editorship of Mrs. Campbell MacIver, Mrs. L. A. Hamilton and Mrs. Morgan Dean, remained the organ of the Association. The question of affiliation with German and other enemy women was also discussed in Provincial Councils. That of Toronto (Nov. 27) put itself on record as "strenuously objecting to being associated in any way with the women of enemy countries;" that of Hamilton agreed with this view and Edmonton deferred expression of opinion; the Victoria Council protested vigorously.

The Dominion W. C. T. U. Convention met at Ottawa on June 18-20 with Mrs. Gordon Wright, President for the past 10 years, in the chair, addresses were given by Sir George Foster and Mrs. L. C. McKenney, M.L.A., Edmonton; a total membership of 27,891 was reported with 7,564 in the associated Loyal Temperance Legion. Patent medicines were attacked strongly in a Report by Mrs. John Scott as containing intoxicants; in her annual Address the President declared that "We, the women of Canada, protest against our sons being debauched and degraded by liquor and its consequences when we have given our best and bravest to help the Motherland in her fight for right." She deplored the fact that so many women in Canada still sent cigarettes and tobacco overseas for the soldier: "When will the women of Canada realize the destruction they are bringing the soldiers by sending them cigarettes? Too long has our Government been inert in regard to this practice." Resolutions were passed supporting the Presbyterian General Assembly in its attack

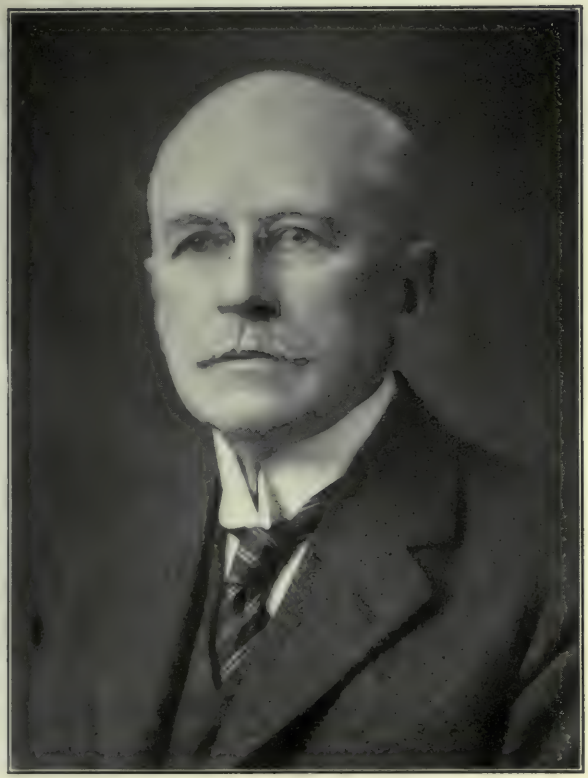
on the Senate for throwing out Mr. Doherty's amendments to the Criminal Code; disapproving the action of the Government in putting a ban on Arthur Mee's *Fiddlers*; thanking the Government for granting to Canadian women the franchise; declaring the intention to continue "peaceful war" against tobacco and especially the cigarette; asking the Government to commandeer the 12,000,000 gallons of liquor in storage and extract the alcohol for munition purposes; urging the conscription of Alien labour and the control of industries so as to ensure war-profits reaching the Treasury; opposing the growing of tobacco and the use of land for its cultivation.

Mrs. Gordon Wright was re-elected President. The campaign against tobacco was very general during the year in W.C.T.U. branches. At Winnipeg (May 28) the Manitoba President deplored its increasing use; at Regina (June 16) one of the speakers, Mrs. Hyslop, declared that this was the only organization of its kind that had asked for the abolition of the cigarette and stated that she did not know of a single Union sending cigarettes to France; at Hamilton (June 27) a Report was accepted which declared that tobacco should be kept from the soldiers and that children should be discouraged from saving up their pennies for the sending of tobacco and cigarettes overseas. The Order did much in the sending of other gifts to the soldiers and a Toronto W.C.T.U. report on July 23rd stated that its District had forwarded 2 ambulances, one field kitchen, 2 invalid chairs for hospital use, pillows, bed linen, pyjamas, hospital shirts and other hospital supplies too numerous to mention including 4,000 pairs of socks. A few of the important Women's organizations in the Dominion may be mentioned here in a List which will show their names and Presidents:

Home Economics Society of Manitoba	Mrs. H. W. Dayton	Virden
Alberta Women's Institutes	Miss Isabel Noble	Daysland
Saskatchewan Home Makers' Association	Mrs. W. F. Cameron	Davidson
Saskatchewan Women Grain Growers	Mrs. S. V. Haight	Keeler
United Farm Women of Ontario	Mrs. G. A. Brodie	Newmarket
Women's Canadian Club	Dr. Helen MacMurchy	Toronto
Women's Canadian Club	Mrs. W. R. McInnes	Montreal
Dominion Council Y.W.C.A.	Lady Falconer	Toronto
Montreal Women's Club	Mrs. W. P. Hodges	Montreal
Soldiers' Wives' League	Lady Fiset	Ottawa
G.W.V.A. Auxiliary	Mrs. Ambrose Small	Toronto
Canadian National Ladies' Guild for Sailors	Lady Willison	Toronto
May Court Club	Miss Alice Fitzpatrick	Ottawa
Women's Conservative Club	Mrs. W. H. Price	Toronto
Women's Liberal Association	Mrs. J. W. Bundy	Toronto
Queen Mary's Needlework Guild	Mrs. D. Angus Forbes	Montreal
Queen Mary's Needlework Guild (Ont.)	Mrs. Arthur Van Koughnet	Toronto
Canadian Association of Nurses' Education	Miss E. Flaws	Montreal
Women's Christian Temperance Union	Mrs. Gordon Wright	London
Canadian National Association of Trained Nurses	Miss Jean I. Gunn	Toronto
Canadian Girl Guides	Lady Pellatt	Toronto
Canadian Branch: The League of the Empire	Principal Hutton	Toronto
Big Sister Association	Mrs. Franklin Johnson	Toronto

Canadian War Societies in 1918. The total of Canadian voluntary contributions to War Funds and Patriotic objects during 1914-18 totalled about $100,000,000. Up to June 30, 1918, it was $90,020,000. The Canadian Red Cross Society continued its great work throughout the last year of war, and by its close the total of contributions in cash and supplies sent Overseas was over $22,000,000 of which $14,500,000 was in goods, or supplies, or useful articles of a myriad kind and $8,371,982 in cash contributions. Apart from bandages, socks and the usual hospital supplies, the Red Cross had in France recreation huts for all hospital and camp areas, dental stations, and a department which provided "food luxuries" to sick and wounded men who craved delicacies not provided on the usual bill of fare. Large sums, also, were contributed to the British Red Cross on "Our Day" throughout the Empire, with Canada in the lead outside of Great Britain; approximately the Canadian totals were as follows: $1,874,752 in 1915; $1,987,300 in 1916; $2,220,839 in 1917. The Empire as a whole gave $70,000,000 to the Red Cross of which the chief British Fund was that of *The Times* for $55,000,000.

Many Hospitals, 4 in England and 8 in France, were maintained by the



THE HON. WILLIAM E. PERDUE,
Appointed Chief Justice of Manitoba in 1918.

THE HON. ROBERT EDWARD HARRIS, D.C.L.,
Appointed Chief Justice of Nova Scotia, 1918.

BRIG.GEN. WILLIAM ANTROBUS GRIESBACH,
C.B., C.M.G., D.S.O. with Bar, M.P.
Commanding 1st Infantry Brigade, Canadian Corps.

BRIG.-GEN. VICTOR WENTWORTH ODLUM, C.B., C.M.G., D.S.O.
Commanding 11th Infantry Brigade.

Canadian Red Cross including the new 1918 one established at Joinville-le-Pont and presented to France with a Laval University staff in attendance. A fleet of 80 motor ambulances was maintained between the trenches and the hospitals, 23 casualty clearing stations were kept in supplies, personal visits were paid to Canadians scattered in a large number of hospitals in England and France. It was announced on Dec. 20 that there were still 42,000 sick or wounded Canadian soldiers in hospitals overseas and that the Society must continue its activities for another year. Meantime, various incidents had occurred including the organization of many new branches in Canada—the number in 1917 being 158; the visit of Lieut.-Col. Noel G. L. Marshall, who was the executive and most energetic head of the organization, to England and France in June-July and an audience by the King on June 20; the retirement of Lieut.-Col. C. A. Hodgetts, C.B., as Chief Commissioner in London and appointment of Lieut.-Col. H. W. Blaylock, C.B.E., to the post, with Lady Drummond appointed as Assistant Commissioner in succession to Lieut.-Col. Claude Bryan; the appointment of Lieut.-Col. J. S. Dennis, C.M.G., as Commissioner with the Siberian force. The chief Canadian officers in 1918 were H. E. The Duchess of Devonshire as President; Lieut.-Col. Marshall as Chairman of Central Council and the Executive; F. Gordon Osler, as Hon. Treasurer and Mrs. H. P. Plumptre Hon. Secretary. The total contribution by Provinces to Canadian Red Cross purposes was as follows:*

Alberta	$486,137.06	P. E. Island	48,862.90
British Columbia	467,544.21	Quebec	490,656.76
Manitoba	965,344.97	Saskatchewan	1,745,580.83
New Brunswick	65,969.63	Yukon Territory	30,512.14
Nova Scotia	397,916.68		
Ontario	3,274,964.74	Total	$7,973,489.92

The Canadian Patriotic Fund during its four years of operation proved the patriotism of Canadians and did a splendid work; H. E. the Duke of Devonshire remained President in 1918, Sir Thomas White Treasurer and Sir H. B. Ames, the energetic Hon. Secretary. Up to the beginning of this year the total receipts were $34,090,959; a new appeal was made early in the year for $3,000,000 and more than realized; in June it was announced that after Mch. 31, 1919, voluntary subscriptions would not be sought and Government funds would be provided for the maintenance of soldiers' dependents; in the 1918 Session of Parliament the Act of Incorporation was amended so as to apply to Canadian soldiers in the Armies of Great Britain and the Allies; the Report of the Toronto and York County Patriotic Association, of which Sir William Mulock was President, to Dec. 31, 1918, showed subscriptions of $1,004,975 in the 1914 campaign, $2,229,893 in that of 1916, $2,990,063 in 1917, $3,210,037 in 1918—a total of $8,522,734 with $1,329,957 of cash on hand, with allowances paid to soldiers' dependents of $5,793,009 and payments to Red Cross of $1,232,653. The total of all contributions and expenditures in the Dominion organization up to the close of the year was as follows:

Provinces	Contributions	Advances
Alberta	$2,769,598	$4,221,460
British Columbia	3,231,284	5,401,046
Manitoba†	140,864	140,765
New Brunswick	1,385,983	1,336,354
Nova Scotia	1,779,890	1,523,620
Ontario	23,551,610	15,734,144
Prince Edward Island	128,638	98,940
Quebec	9,660,537	4,321,867
Saskatchewan	2,717,014	2,796,988
Yukon and N. W. Territories.	45,656	.....
Total	$45,411,074	$35,575,184

*Note.—To Mch. 31, 1919, a total of $629,844 was contributed to the Canadian Fund, in addition, by the United States, Cuba and some other countries.

†Note.—Manitoba handled its Fund separately with exceptions as above.

The Salvation Army did a quiet, persistent and valuable work during these years. As a British organization it had about 1,200 workers, including chaplains and officers, employees and certified workers, entirely devoted to ministering to the needs of the soldiers; its motor ambulances, numbering 65, during the War carried over 250,000 wounded from the battle-fields in France, Italy, Mesopotamia, etc., to dressing-stations or hospitals; it maintained several hundred hostels and huts in Great Britain and France which proved of immense service to probably a million men; its relief work was carried on in Belgium, Italy, Serbia and other devastated areas as well as France; it had 40 chaplains on active service, 500 rest-rooms for soldiers on all fronts, and 15 naval and military homes in various parts of the world; the men accommodated nightly in various naval and military homes totalled 4,000 while more than 1,000 voluntary Salvationists visited hospitals in Canada, France, England and elsewhere, carrying comfort and consolation to the sick; Indian Salvationists co-operated with authorities at Bagdad and elsewhere and a well-equipped hospital and staff were devoted entirely to Mohammedan and Hindu troops.

As to Canada much of its work had to be carried on by women owing to enlistment of the men. Its chaplains did splendid service with the troops, 2 of them who volunteered for the ranks were killed; its Home Leagues, composed of women, worked assiduously on Red Cross supplies with thousands of parcels sent overseas and "Welcome Home Leagues" organized for the returning soldiers; Hostels were established or under way at Toronto, Port Arthur, Fort William, Kingston, London, Montreal, Hamilton, Halifax, St. John, Winnipeg, Calgary, Edmonton, Vancouver, Victoria, Chatham, Windsor, etc., with institutions, also, especially devoted to women and children—the wives and children of overseas men; Huts were established at Camps Hughes, Sarcee, Vernon and Port Arthur. The work was varied and, during 1918, the Salvation Army in Canada had 370 Corps where regular Evangelistic services were held; it helped 872 prisoners and 1,322 officers and employees; it found 11,088 situations for men and women and supplied 108,686 meals and 189,883 beds to needy poor; it maintained 16 Indian Mission stations and cared for 272 children while 1,746 women and children were cared for in its Maternity, industrial and women's homes; it supplied 5 fully-equipped motor-ambulances for service at the Front. The Army officials decided in October to maintain its huts and War-time efforts for another year, to continue the establishment of convalescent homes and the provision of Hostels to welcome and help returned men at various points, to construct more homes for children. As to government the Army was divided into Canada East and Canada West with Port Arthur as the divisional point—Charles Sowton being in charge of the Western territory and W. J. Richards of the Eastern.

An organization of increasing importance during 1918 was the Navy League of Canada under the Presidency of W. G. Ross, Montreal and with the active support of Æmilius Jarvis, Toronto, President of the Ontario Division and M. P. Fennell, Jr., Sec.-Treasurer. Its first annual meeting was held at Montreal on Jan. 31, with Mr. Ross in the chair and reports showing the contribution of $270,000 to League funds in its first few months of operation —$170,000 coming from Ontario. Of this total $100,000 was voted to establish a Sailors' Home in Halifax; $30,000 to British Columbia for Sailors' Institutes in Victoria and Vancouver; $50,000 for relief work in respect to Canadian sailors; $25,000 for Boys' Naval Brigades, and the sum of $10,000 per month to be sent to the Navy League headquarters in London for the care of dependents of seamen of the mercantile marine who had served on ships torpedoed by German submarines. Mr. Ross was re-elected Dominion President, Mr. Jarvis, President of the Ontario Division and Lieut.-Col. C. G. Williams as Sec.-Treasurer. A Quebec Division of the League was organized at Montreal on May 6 with Sir Vincent Meredith and Sir George Garneau as Hon. Presidents; James Carruthers as President and E. W. Beatty, K.C. and Hon. D. O. L'Esperance as Vice-Presidents and D. F. Glass Sec.-Treasurer; a representative Executive was appointed and a Ladies' Committee formed with Lady Meredith as President. A successful campaign was at once

initiated for new members and a strong Naval Brigade of boys was organized with about 300 members.

Incidents of the year included a gift to the Navy League Sailors' Home at Halifax from Lord Furness of $25,000; the Rev. Dr. Alfred Hall made a tour of the country for the League and organized branches with considerable success; Peter Wright, an officer and representative of the Merchant Seamen's League of England, came to Canada in December as the guest of the League and made a pronounced impression by his speeches and personality. Some of the British funds aided by the organization during the year were Greenwich Hospital Pensioners, $50,000, and the Admiralty, for education of Naval officers' sons, $45,000; Twickenham School for Naval officers' Daughters and British and Foreign Sailors' Society $25,000 each; Orphans' Home, Portsmouth, $20,000 and at the Nore, $25,000; 7 Naval institutions received $15,000 each, 8 others $12,500 each and 8 others $10,000 each; the Seamen's Hospital Society, Greenwich, $25,000 and 2 other institutions $20,000 each. The Women's work of the League was effective with Mrs. C. D. Neroutses, Victoria, Lady Meredith in Montreal, Mrs. J. W. Hamilton, Winnipeg, and Mrs. G. R. Baker, Toronto, as conspicuous figures. From Montreal, in particular, with its 1,500 women members there went a great volume of supplies to the Front. By the close of the year there were 143 Branches in Canada.

Meantime, a Sailors' Week campaign had been started on Sept. 1-7 with an objective for all Canada which was largely exceeded. Ontario raised $1,143,510 with a Committee in charge headed by Sir John Eaton and including President Jarvis, R. S. McLaughlin, H. N. Cowan, A. M. Hobberlin and Frank Wise amongst its active members. Quebec contributed $300,000, Manitoba, $192,000, Nova Scotia, $100,000, Alberta $10,000, New Brunswick $26,571, P. E. Island, $2,495 and Saskatchewan $7,000—a total for all Canada of $1,781,577. The objects specified were (1) King George's Fund for Sailors; (2) Naval and Merchant Seamen held as Prisoners of War; (3) British and Canadian Sailors' Institutes and the welfare of Seamen and their dependents.

Throughout the War the Belgian Relief Fund was generously supported with M. Maurice Goor, Consul-General at Ottawa for Belgium, as the earnest and active President—aided at Montreal by H. Prud'homme and A. De Jardin. The total of cash Receipts* was $1,748,032 of which $1,132,616 went in purchase and despatch of goods, $284,799 was sent to the Belgian Minister of Foreign Affairs and the balance to special Funds. The estimated value of goods contributed was $1,563,923. The most active Branch was that of Ontario with Mrs. Arthur Pepler as Chairman and total cash receipts of $200,595.

The Y.M.C.A. of Canada was a large, capable, effective and much-discussed war organization of the year. Originally it was anything but that—a peace-loving, semi-religious, wholly moral society, managed by excellent business men and prospering in an obvious and progressive way. In 1916, however, headquarters for war-work were established in London and Lieut.-Col. Gerald W. Birks appointed to look after them with Major F. T. Smith in charge of matters in England, Major J. H. Wallace in France and a host of Secretaries in both countries and in Canada to develope operations. In 1915 $70,000 was raised to support the work, in 1916 $450,000, in 1917, $1,110,000, in 1918 $3,000,000. The staff of 37 officers abroad grew to 112 and then to 200. During these years the Y.M.C.A. centres in Britain and France increased from 8 centres in 1915 to 40 in 1916, 160 in 1917 and in April, 1918, there were 172 such centres. Operations were carried on in London and Paris, and at the camps and hospitals. In addition to the canteen service, the work embraced religious meetings, concerts and entertainments, educational lectures and classes, libraries, athletics, and, also, of course, the provision of beds. At the Front, beginning in 1917 free drinks were provided with additional biscuits, etc., to troops returning from the trenches or during the time of action. At Lens the cost of this was stated as 90,000 francs, and at Passchendaele 160,000 francs. At the beginning of 1918 the Canadian Y.M.C.A. had 500 persons

*Note.—To April 30, 1919.

serving the troops in various capacities, and its annual statement for the previous year showed receipts of $1,131,391 and disbursements of $634,506 for Overseas military work, $71,595 for work of the British Y.M.C.A. amongst Canadian soldiers, $244,113 for work in Canada. The annual meeting of the National Council for Canada took place at Montreal on Jan. 23-24 with G. H. Woods, Toronto, as Chairman and C. W. Bishop General Secretary. A three days' campaign was decided upon for $2,275,000—afterwards increased to $2,750,000—and the dates fixed were May 7-8-9. Following this the press teemed with Y.M.C.A. advertisements, stories, statements, incidents, public opinion was thoroughly aroused and the net result was as follows:

	Objective.	Returns.
Toronto	$500,000	$469,000
Montreal	465,000	438,200
British Columbia	100,000	105,000
Alberta	150,000	290,000
Saskatchewan	175,000	482,500
Manitoba	175,000	239,700
Ontario (excluding Toronto)	825,000	781,500
Quebec (excluding Montreal)	50,000	98,000
New Brunswick	110,000	123,000
Nova Scotia	140,000	200,000
P. E. Island	25,000	17,000
Total	$2,715,000	$3,243,900

It was stated during this effort that 300,000 letters a day were written in Y.M.C.A. buildings; that Red Triangle Clubs in Toronto, St. John, Montreal and other cities rendered great service to returned soldiers and enlisted men; that the Y.M.C.A. service extended from Vancouver to the firing line and then back to patients in home hospitals until the men were discharged; that between 400 and 500 millions of letters and cards had been written and posted in Y.M.C.A. tents, huts and dugouts since war began. The campaign was in charge of a Committee of which J. W. Ross, Montreal, was Chairman and Lieut.-Col. F. H. Deacon, Toronto, Vice-Chairman; G. A. Warburton was Director, Thomas Bradshaw, Treasurer and Dr. John Brown, Jr., Secretary—all of Toronto; G. H. Wood was Chairman Finance Committee and James Ryrie of the Publicity Committee. In October Sir Arthur Yapp, Secretary of the British National Council of the Y.M.C.A., spoke at Montreal and Toronto and in various American cities as to the great work of his organization with its 5,000 volunteer workers in France and other war areas—largely without pay and over military ages—with centres all over the world utilized for sailors, dockers and munition workers as well as soldiers; serving impartially and wherever desired the men of Britain or Canada, India or Australia, South Africa or any other part of the Empire.

Returned men made many critical comments upon the Canadian Y.M.C.A. at this time and, at the Hamilton Convention of the G.W.V.A. the organization was described by unanimous Resolution as "no different from any other commercial concern" and the declaration made that "in view of the hypocrisy that permeates every phase of the work of the organization in relation to the soldiers, we place ourselves on record as saying that we have no confidence in the Y.M.C.A." The chief charge seemed to lie in the prices of food and to this an official reply was made as follows: "The Y.M.C.A. does not charge high prices; its purpose is to keep them as low as possible, and the fact that some of them are not lower than they are is because the Y.M.C.A. is not allowed to undersell the Expeditionary Force Canteen, which is the official military organization." The suggestion that the distribution of free hot drinks was a small matter was answered by an audited statement of the work in France for 1917 which showed that the sum of $80,000 had been spent on this detail in one year. C. W. Bishop, Secretary, in Toronto, stated that Canteen charges were fixed by the War Office. An investigating Committee of the G.W.V.A. reported on July 30 that prior to 1917 very little was given

away in tea, coffee or cigarettes by the Y.M.C.A.; after that considerable quantities were distributed. As a whole its work was "beneficial to the soldier." In November the Toronto Y.M.C.A. broke all records by getting 9,000 new members in a four-day campaign.

The Knights of Columbus, a Roman Catholic religious, moral and social organization, did good war-work in 1918. It was an International order with the bulk of its members in the United States where it had, in 1917, raised $12,000,000, established K. of C. Halls in the American camps and cantonements with 100 chaplains in attendance and built and maintained 45 Huts in France with 175 Secretaries and 40 Chaplains. In 1918 it sent many supplies abroad and filled one order for 50,000,000 cigarettes for the soldiers, 10 tons of sweet chocolate and 2,000,000 packages of chewing gum. In Canada the membership was scattered and not large but it raised $80,000 in 1917 and by a special campaign obtained $1,144,000 in 1918 while the United States members were getting $36,960,000.

The Catholic Army Huts' Campaign as it was called in Canada, had Archbishop McNeil as President of its Toronto drive for $150,000 and Committees which included all branches of religious thought. The object was to establish Huts which would not only be recreation centres for all soldiers but serve as chapels for the Catholic ones. The effort was endorsed by Sir R. Borden and Sir W. Laurier and Bishop Fallon opened the Ontario campaign at a great meeting in Toronto on Oct. 1st. Of the total raised Ottawa contributed $31,000, Calgary $16,000, Quebec City $75,000, Toronto, $181,000, Alberta $64,000, etc. An unfortunate incident was the Orange opposition to a Toronto civic grant of $15,000 and the succeeding decision of Chief Justice R. M. Meredith that it was invalid. The total subscribed in Canada was double the objective aimed at; at the close of the War it was decided to continue operations during demobilization.

The Associated Kin of the C.E.F. was an organization with excellent intentions and policy, formed at London in 1917 by Gordon Wright of that city. Its objects, as stated in the Act of Incorporation were chiefly as follows: To organize the kin of Canadian soldiers and their Allies resident in Canada so as to render to the authorities all assistance that is possible within civilian scope; to aid in securing for the Forces the best possible conditions for service; to protect the home interests of every soldier during his absence by securing for his dependents proper recognition and employment; to secure for every returned soldier such employment as he may be best adapted for; to assist soldiers in all matters of Government, business or legal complication which might arise; to help recruiting of either Military or Naval character. Mr. Wright was President, J. M. McEvoy Vice-President, J. H. Laughton and J. C. Spence, Secretaries, and Rev. Canon Tucker Chaplain—all of London. Branches were formed elsewhere but not as successfully as desired; no doubt the competition of the G.W.V.A. was chiefly responsible. In Toronto there were complications and the Executive, headed by Hamilton Cassels, K.C., resigned over questions of affiliation and the proper allotment of fees as between Toronto and London. On May 17 Lieut.-Col. W. Wallace was appointed President and other officers chosen in a general re-organization which did not last long. A monthly journal called *The Kinsman*, was published; much attention was given to the matter of honouring mothers of sons who had been killed in action; a Maritime Province tour was taken by Mr. and Mrs. Gordon Wright and several branches formed; substantial aid had been given to Naval recruiting in earlier months.

There was a great variety of other organizations in Canada which undertook War-work—so many and often so small in nature and so varied in their appeals that the Government had to pass the War Charities Act for regulation and control of all irresponsible bodies. Some of the larger and more useful Societies which can only be named here were the Win-the-War League with branches throughout the country; the Franco-British Aid Society, the French Red Cross and the Secours Nationale which worked together with headquarters at Toronto; the Sportsmen's Patriotic Association, Toronto, of which P. J. Mulqueen was President; the Edinburgh Patriotic Club of Montreal and L'Aide a la France of the same city; the Khaki League, Montreal, which

obtained a large amount in local subscriptions in 1918 and several Khaki Clubs elsewhere; the Canadian-Serbian Relief Committee and the Great War Next-of-Kin Association which had branches in Calgary, Winnipeg, Victoria and other Western points and should not be confused with the Associated Kin; the Overseas Club which raised from its London Headquarters nearly $5,000,000 for war-work—with notable efforts in Canada for a Tobacco fund and the Prisoners of War fund by Fane Sewell of Toronto.

Then there was the Canadian Aviation Aid Club, of which Mrs. W. B. Maclean, Toronto, was President, Mrs. T. S. G. Pepler and Mrs. Miller Lash Secretaries—with branches at Calgary, Vancouver, Toronto, Moose Jaw, Medicine Hat and other places, and a record of considerable subscriptions and supplies sent to London. There was the Canadian Branch of the St. John Ambulance Association which was closely connected with the Red Cross, and of which Fred. Cook, Ottawa, was President, the Overseas Brigade in Canada of the same organization of which Brig.-Gen. Sir H. M. Pellatt was Deputy Commissioner, and the National Relief Committee of which Lieut.-Col. R. J. Birdwhistle was Hon. Secretary and which held these organizations together in relation to the Department of Militia and Defence and controlled the V. A. D. and Nursing services for the Front. The Army and Navy Veterans of Canada was established at a Winnipeg Convention on May 12-13, 1918, as a National organization with W. J. Tupper, K.C., as President; the Boy Scouts of Canada did much good work during the year with all the natural enthusiasm of patriotic boyhood.

The Social Service Council and Work. The labours and development of many years were illustrated in the position of the Social Service Council of Canada during this year. Originating in Toronto on Oct. 31, 1907, it had grown steadily and in 1918 was a Federation of many great organizations for Social work—The Church of England, the Methodist, Presbyterian, Baptist and Congregational Churches, the Salvation Army, the Evangelical Association, the Canadian Purity-Education Association, the W.C.T.U., the Christian Men's Federation, the Y.M.C.A., the Y.W.C.A., Dominion Grange, Canadian Council of Agriculture, Council of Provincial S. S. Associations, Rotary Clubs, R. T. of T. It had Provincial Councils in all the Provinces and in Newfoundland and Bermuda; it began to publish on Oct. 1st, 1918, in Toronto, a monthly journal called *Social Welfare* edited by Rev. Dr. J. G. Shearer which treated of all the Social problems perplexing the current thought of the day; its Hon. Presidents (1918) were Dr. Matheson, Archbishop of Rupert's Land, Sir R. L. Borden and Chester D. Massey; its President was Canon Norman L. Tucker, London, its General Secretary Dr. Shearer, its Recording Secretary, Rev. Dr. T. Albert Moore and its Treasurer Frank Sanderson, M.A., LL.D. This year saw an organized development in its work along the lines defined in an official Declaration as follows: "We stand—

For the purity of the home; for mothers' pensions; for the right of the child to be well born, well-developed, well-reared, well-educated.

For the Single Standard of both sexes—in morals and in economic opportunity.

For the application of Christian principles to Industrial relations; for Universal Peace.

For a Living Wage, an 8-hour day where possible, and the weekly rest day, wherever practicable on Sunday.

For Conciliation and Arbitration in industrial disputes; for the abatement and ultimate abolition of poverty.

For Insurance against accidents, sickness, unemployment, and old age.

For the Conservation of natural resources and public utilities for the people's benefit.

For the adequate care of dependents, defectives, and delinquents; for the prevention of crime and the redemption of criminals.

For purity in public life, honesty at the ballot-box, and the abolition of the patronage system.

For the honourable getting and equitable distribution of wealth, and its administration in trust for the general good.

For the suppression of drink, gambling, sexual and other vices; their prevention by the removal of their causes, and the reclaiming of their victims.

For proper housing, the promotion of health, and the prevention of contagious diseases.

For wholesome recreation for all the people, especially the children.

The Provincial Councils during the year stood strongly for many of these things. That of Nova Scotia, with Rev. Dr. H. R. Grant as Secretary, devoted itself especially to Temperance reform, obedience to law and reformation of the idle and vicious; that of Alberta to Child Welfare work and of British Columbia, with Rev. A. E. Hetherington as Secretary, to Oriental immigration problems and Bolshevist Socialism; that of Ontario devoted special attention to Child Welfare, Public Health, Reconstruction, Patronage and Law enforcement with earnest advocacy of Widows' State allowances, care of the Feeble-minded and the problem of Housing; that of Saskatchewan, with a notable Hon. President in the person of the R. C. Archbishop of Regina, dealt with Labour and class questions, urged conciliation and did splendid service in the Influenza epidemic; that of New Brunswick to Child Welfare, Public Health, enactment of laws bearing on morals and Temperance; that of P. E. Island to Child Welfare especially; that of Nova Scotia to Social conditions in Halifax and Child Welfare; that of Manitoba to the creation of a Prison Farm.

Canadian Clubs and Other Organizations. The Canadian Clubs continued their educative processes in 1918; the Men's Clubs did not do much practical war-work except as individuals or as members of other working bodies; but they helped in keeping public opinion stable and few, indeed, were the speeches which struck a really discordant note. In the greater centres of Montreal, Toronto, Winnipeg and the capitals of all the Provinces, they provided a forum for leaders of thought and action to express themselves and for distinguished visitors to come into touch with the people. During this year members of the Government such as Messrs. Calder, Meighen, Foster, Mewburn, Rowell, Ballantyne, Carvell, Sir T. White, on more than one occasion dealt with important subjects to the members of these Clubs; Sir John Willison and S. R. Parsons presented views as to Reconstruction which were afterwards widely published; Hon. H. J. Cody, Hon. W. L. Mackenzie King, Sir R. A. Falconer, Sir Douglas Hazen, Bishop Richardson, Dr. Bruce Taylor, General F. O. W. Loomis, Col. W. A. Bishop, Hon. H. S. Béland, spoke on matters of current interest; H. E. the Duke of Devonshire addressed several of the Clubs.

Important visitors such as Lord Reading, Lord Charnwood, Archbishop Lang of York, Sir F. E. Smith, Capt. A. F. B. Carpenter, V.C., Harry Lauder, Sir Arthur Pearson, Sir Arthur Yapp, Mrs. Pankhurst, Sir W. Arbuthnot Lane, Gen. Sir Louis Jackson and Peter Wright represented Great Britain, while Hon. Elihu Root, Sam Gompers, Hon. W. C. Redfield, John A. Stewart and A. Graham Bell spoke for the United States, Sir P. T. McGrath for Newfoundland, Hon. Crawford Vaughan, Rt. Hon. W. N. Massey and Sir J. G. Ward for Australia or New Zealand, Stephen Lauzanne of *Le Matin* for France and Tsunejiro Miyaoka for Japan. In these and other speeches much good work was done for various special causes—Recruiting, Food Conservation, Y.M.C.A. and various Funds or war movements. Some of the Women's Canadian Clubs did much practical war-work and of these the Ottawa one was probably most conspicuous in 1918. Its record, indeed, for the whole period of the War—under Mrs. W. T. Herridge for two years, Mrs. W. E. Hodgins for two years and then Lady Foster—covered a vast amount of work with special Committees for Soldiers' and Sailors' Comforts, Red Cross, Prisoners of War, French War Relief, Belgian and Serbian Relief, Polish, Armenian and

Palestine Relief. The work was organized, continuous and generous; its 1,165 members in 1917-18 expended $50,000 for war purposes in addition to an enormous number of parcels sent Overseas. The Clubs at Victoria, St. John, Winnipeg and some other places also did good work in this way. The chief organizations with their Presidents in 1918 were as follows:

Men's Canadian Clubs

St. John	Judge H. O. McInernay	Montreal	Charles F. Size
Calgary	Dr. A. Melville Scott	Westmount	R. E. Day
Ottawa	Hon. L. P. Duff	Ottawa	Sir Henry Drayton
Vancouver	R. R. Maitland	Toronto	Major E. W. Wright
Manitoulin	H. Seeley Bell	Edmonton	S. H. Smith
Victoria	John Cochrane	Chatham	J. A. Walker, K.C.
Regina	J. F. Bryant	Halifax	Very Rev. Dean Llwyd

Women's Canadian Clubs

Calgary	Mrs. W. Grant MacKay	London	Miss Grace Blackburn
Montreal	Mrs. W. R. McInnes	Toronto	Dr. Helen MacMurchy
Victoria	Mrs. F. A. McDiarmid	St. John	Mrs. G. A. Kuhring
	Vancouver Mrs. S. D. Scott		

The Orange Order in Canada was a strong one in 1918 as it had long been—especially in Ontario; its Grand Master was H. C. Hocken, M.P., Editor of the Orange *Sentinel*, who, during the year made a tour of the West and was everywhere well received; its contribution to the War was estimated at 65,000 members with 35 per cent. of the entire British Columbia membership Overseas; it had many conspicuous members at this time, in Parliament and out of it, and wielded considerable influence. The chief subjects of controversy to its members during the year were the Bi-lingual educational matter in which the Order stood strongly for one language throughout Canada, so far as laws and legislation could affect the situation; the question of exempting religious students from compulsory service with the Guelph incident as an illustration of the Order's attitude; in Alberta and Saskatchewan and Manitoba, as in Ontario, Orangemen stood for English as the language of instruction and official affairs and protested against Mennonite or other foreign control of schools. The Resolution of the Manitoba Grand Lodge on Mch. 13 showed the policy of the Order in this respect: "Resolved, that this Provincial Grand Lodge believes the time has arrived when an effort should be made by the loyalists of Canada to insist on such changes in the Imperial Acts effecting this country as will place the right of self-determination in the hands of the people as represented by the Dominion Parliament, and that the ideal to be fought for is: One flag, one school, and one official language from Coast to Coast." The Grand Masters of Provincial Grand Lodges in 1918 were as follows:

Ontario West	Major J. I. Hartt, M.L.A.	Orillia
Ontario East	O. W. Landon	Lansdowne
Manitoba	Leith Myles	Kenora
British Columbia	C. F. Lindmark	Revelstoke
Quebec	Rev. Charles Reid	Huntingdon
New Brunswick	H. G. Wodman	Moncton
Nova Scotia	J. L. MacDuff	Halifax
Alberta	Sir James Outram, Bart.	Vermilion
Saskatchewan	Stuart Adrian	Qu'Appelle
Prince Edward Island	G. D. Wright, J.P.	Charlottetown
Newfoundland	J. C. Puddeston	St. John's

The Société St. Jean Baptiste of Quebec Province is, and long has been, a powerful French-Canadian organization. Its total membership was not made

public but its objects have been described* by the President of the Montreal Society as follows:

> It has for general purpose the union of all French-Canadians for the preservation of their national ideals.
>
> It exists in all localities wherein Canadians wish to associate themselves for national purposes and for the preservation of their rights. Its motto, adopted at its inception, was: *Nos Institutions, notre langue et nos lois*, meaning thereby that their immediate purpose was to preserve their institutions, language and laws.
>
> There is no necessary link between the several groups scattered in Canada and the United States, each of them having their autonomy, but they look to the Montreal Society as being the leader with which they co-operate, and they have at intervals Conventions between the officers of the several organizations.

The Montreal Society, of which Victor Morin was President, had in 1918 a Beneficiary branch with 55,000 members and Assets of $2,000,000; in the United States there was L'Union St. Jean Baptiste d'Amérique with headquarters at Woonsocket, R.I., and 33,000 members in its Beneficiary branch with Assets of $1,250,000. There were organizations in most towns and villages of Quebec, the ranks were open to all French-Canadians wherever located with in some, but not all localities, a clause restricting membership to Roman Catholics. Since its organization in 1834 many of the most eminent men of Montreal had held the post of President; it gave to the country Cartier's national song: *"O, Canada, mon pays, mes amours."*

The Rotary Clubs of Canada in 1918 were to be found in 21 of its chief centres and in many places ran the local Canadian Club a close second in the matter of Luncheon speeches. Amongst the speakers of the year, at one or more of their Clubs, were Hon. H. S. Béland, M.P., Bishop C. de V. Schofield, Dr. D. B. Dowling, Sir H. B. Ames, Lieut.-Col. E. J. Chambers, Canadian Press Censor, E. F. Trefz of Chicago, Rev. Dr. John Neil, Rev. Dr. H. Symonds, Harry Lauder and various Provincial Ministers; but the object of the Clubs was not to hear prominent men so much as practical business men, industrial experts, local authorities along specific lines. During 1918 the Regina Club passed a long Resolution urging the Government to enforce Conscription and lead in war activities; the Halifax Club dealt in a similar way with the military authorities in regard to venereal diseases, and was joined by that of Montreal.

They preferred active operations, however, to Resolutions and the Regina Club did much to promote food production; that of Vancouver raised $75,000 to found a Clinic for Tuberculosis cases and that of Ottawa $76,000 for the Y.M.C.A. Fund; the Halifax and Winnipeg Clubs aided the Red Cross campaign as did many others; the Calgary Club and others helped the Salvation Army campaign while that of Edmonton did special service in the Influenza troubles; the Montreal Club helped in the local fight against vice conditions and that of Vancouver in the registration of boys for farm work; the Toronto Club aided in the Y.M.C.A., Red Cross, Patriotic Funds and other movements of a similar character. In December the Winnipeg Club started a campaign for $50,000 to be raised by the Canadian organization for the holding of a National Conference on Education.

As an international organization which was very strong in the United States the President during this year was Rev. E. Leslie Pidgeon of Winnipeg and the total number of Clubs on this continent and in Great Britain was 369 with 35,000 members. The annual meeting for 1918 was held at Kansas City on June 24-26 and many Canadians were present amongst the 4,000 delegates addressed by President Pidgeon on "Rotary: A Living Force." British Columbia was officially represented by a special Government delegate, Hon. Hugh Guthrie spoke for the Canadian Government and Great Britain was represented by A. Home-Morton, President of the British Rotary Clubs. John

*Note.—Letter to the author, Mch. 11, 1919.

Poole, Washington, was elected President. Resolutions, largely of a United States and War character, were passed in favour of: (1) Broadening the activities of Rotary Clubs in connection with the sale of Government securities; (2) expediting cases involving charges of sedition, criminal disloyalty or sabotage; (3) utilization of undeveloped water-power resources as a measure of war economy; (4) legislation making compulsory the teaching of the English language exclusively in all grade schools. The International nature of Rotarianism was shown in certain Canadian Provinces being associated in Districts with American States and in the frequent interchange of visits and gifts of flags. The Presidents of the chief Clubs in Canada (1918) were as follows:

Toronto	W. H. Alderson	Winnipeg	S. M. Campbell
Vancouver	Oscar Olson	Regina	E. S. Miller
St. John	T. H. Estabrooks	Montreal	W. J. Francis
Halifax	J. W. Roland	Ottawa	T. S. Kerby
Victoria	J. D. O'Connell	Calgary	L. A. Cavanaugh

The Kiwanis Clubs were very similar to the Rotary Clubs—international in origin and government, social and moral in principles of inculcation, appealing especially to business men. The Kiwanis organization was started at Duluth in 1914, its motto was "Service," its Clubs in 1918 numbered 135 in the United States and Canada with 25,000 business and professional men as members. In Canada the cities of Toronto, Hamilton, Montreal, Ottawa, Winnipeg, and London had Clubs with about 1,500 members. The International President was P. S. Patterson, Chicago, and the Vice-Presidents Albert Dodge, Buffalo, C. H. Lee, Providence, and G. H. Ross, Toronto. The Creed of the Order included the following clauses:

1. To realize that I am a business man, and wish no success that is not procured by giving the highest service at my command.
2. To do my best to elevate and improve the business in which I am engaged.
3. We believe in the doctrine of Kiwanis. It is based on truth in business, service in business, quantity in business, and last but not least, quality in business.

At a District Convention of Quebec and Ontario delegates held in Toronto on Sept. 25, H. H. Fitzsimmons of Ottawa was elected District Governor and the following Resolution passed: "That the efforts of Kiwanis Club will be concentrated in service towards the winning of the War, support of public works and every soldier Overseas. We also resolve to help in solving problems arising in Canada out of war conditions."

The Empire Club of Canada had a prosperous year with F. J. Coombs, a well-known Toronto financial man, as President and a membership which reached 2,000 at the end of the year. Amongst the speakers at its Luncheons or meetings were Hon. C. H. Whitman, Governor of New York and Hon. J. M. Cox, Governor of Ohio, Bishop Wakefield of Birmingham, England, D. P. Kingsley, President of New York Life Insurance Co., Sir R. A. Falconer, S. H. Church of Pittsburgh, Sir Edmund Walker, Mrs. August Belmont, Major W. A. Bishop, V.C., Major Wilfrid Mavor, M.C., etc. On Dec. 12 R. A. Stapells was elected President for the ensuing year. Another useful organization was the Royal Canadian Institute—a scientific and learned Society which had done much in these war years, under direction of J. Murray Clark, K.C., for industrial research and kindred subjects. A number of able addresses were given during this year under Mr. Murray Clark's Presidency and his inaugural address on "The Reign of Law" was widely circulated in pamphlet form and highly praised in several countries.

The Methodist General Conference of 1918. This meeting was of such general, political, national importance that it must be referred to here though space will not, this year, permit of dealing with the national gather-

ings of other Church bodies. The Conference met at Hamilton on Oct. 2-18 and represented a total Church membership of 388,210 or an increase of 19,218 since 1914; a record of 253 candidates for the Ministry received in the 4 years of war and 470 Ministers and probationers on active service with 28 killed in action; a total of $24,627,309 in monies raised during that period and the possession of Church property valued at $84,944,071. About 400 delegates were in attendance. The address of the General Superintendent, Rev. Dr. S. D. Chown, was a powerful statement of Methodism's social and moral position; it did not indicate the advanced action which followed. The Report of a Committee headed by A. W. Briggs, dealing with the relation of the Church to War and Patriotism, certainly did so; the acceptance of this document by the General Conference of the Church created wide discussion and controversy. The following were the vital economic (in exact words) points of this Report:

> The War has made more clearly manifest the moral perils inherent in the system of production for profits. Condemnation of special individuals seems often unjust and always futile. The system, rather than the individual, calls for change.
>
> The last century democratized politics; the 20th century has found that political democracy means little without economic democracy. The democratic control of industry is just and inevitable. Under the shock and strain of this tremendous struggle, accepted commercial and industrial methods, based on individualism and competition, have gone down like mud walls in a flood. National organization, national control, extraordinary appropriations of national equality, have been found essential to efficiency.
>
> The triumph of democracy, the demand of the educated workers for human conditions of life, the deep condemnation this War has passed on the competitive struggle, the revelation of the superior efficiency of national organization and co-operation, combine with the unfulfilled, the often forgotten, but the undying ethics of Jesus, to demand nothing less than a transference of the whole economic life from a basis of competition and profits to one of co-operation and service.
>
> We recommend that this General Conference invite the other Churches of Canada to a national Convention for the consideration of the problems of Reconstruction.

Cyrus W. Birge, a well-known manufacturer, and others keenly opposed the acceptance of this Report and denounced many of the statements made, but it was eventually adopted with only 4 negative votes. In Toronto on Sept. 5 the Methodist Church Board of Social Service approved a Report which declared that national and public utilities should be controlled by the Government for the general good: "Such national utilities should include, at least, all railways, canals, water powers, coal mines and all means of communication."

THE PROVINCES OF CANADA IN 1918

Inter-Provincial Interests and Affairs.

There was a distinct growing together of the Provinces in 1918 with several Conferences called to discuss mutual interests and continued co-operation in War-effort. A gathering of representatives from all the Provinces met at Ottawa on Feb. 13-16 for the purpose of promoting food production and ensuring for the farmers an adequate supply of labour. Nearly all the Premiers were present under the chairmanship of Hon. J. A. Calder and it was decided to constitute themselves a War Committee with these aims: To plant in the Spring of 1918 every acre possible of wheat, oats, barley and rye; to bring into cultivation every acre possible of new land for crop in 1919; to increase cattle, hogs and sheep to the greatest possible extent; to secure cultivation of gardens and vacant lots in towns and cities with a view to raising the maximum amount of vegetables. Every available means of Provincial assistance to farmers and people and co-operation with the Dominion authorities was promised.

On Feb. 19 a Conference of the Eastern Departments of Agriculture was held and Hon. J. E. Caron, Quebec, Hon. J. F. Tweeddale, New Brunswick, Hon. G. H. Murray, Nova Scotia, Hon. A. E. Arsenault, P. E Island, W. B. Roadhouse, Ontario, with others, were present. H. B. Thomson of the Food Board, presided and the meeting merged into a useful discussion of ways and means of helping production. At Calgary on May 2 a Conference was held of the Ministers and Deputy-Ministers of Education for the Western Provinces: Manitoba—Hon. Dr. Thornton and R. Fletcher; Saskatchewan—Mr. Premier Martin and D P. McColl; Alberta—Hon. J. R. Boyle and Dr John Ross; British Columbia—Hon. J. D. McLean and Dr. Robertson. It was unanimously agreed that, subject to arrangement as to price and revision, uniform text-books in spelling, composition, British history, civics, music, hygiene and geometry should be adopted for the schools of the four Provinces. Other subjects were left open for future consideration or the preparation of text-books. Uniform text-books were also to be adopted in the High Schools for a number of subjects. To improve the status of the teaching profession it was agreed to make courses of training for certificates identical in certain respects.

Though Education was a matter of Provincial rights and powers there were other efforts along special lines of uniformity. The Dominion Educational Association met at Ottawa on Nov. 20-2 and discussed National education problems. The Hon. Presidents elected were the Provincial Ministers of Education; Dr. J. T. Ross, Deputy Minister for Alberta, was chosen as President. A Confer-

ence of Universities was held at Ottawa on May 24-5 which passed Resolutions urging the Government to renew the grant to Officers' Training Corps and to effect the endowment of scholarships for research work in Agriculture at the Universities. President W. C. Murray of the University of Saskatchewan was elected President and other officials represented Queen's, McGill, Dalhousie and Laval. Another matter was an organized effort, starting in Winnipeg and directed by Prof. W. F. Osborne of that city, for a National Conference on Education to be held in a future year with British representatives present. The 12th Annual Convention of the Western Canadian Irrigation Association—Nelson, July 24-26—brought Ministers and officials of Saskatchewan, Alberta and British Columbia together in an effort to promote not only irrigation but dry farming, stock-raising and dairying, with Hon. F. D. Pattullo of Victoria in the chair. The Western Provinces came together in a personal way during June and July through the visit of Mr. Norris, Premier of Manitoba, Mr Martin of Saskatchewan and Mr. Stewart of Alberta to England and France. They accompanied Sir R. Borden and his associates when going to attend the War Cabinet and were taken charge of during their visit at the Front by Lieut.-Col. C. D. McPherson of Portage La Prairie. They were entertained in many ways, were invited to visit the Grand Fleet and were greatly impressed with British and Canadian conditions at the Front. On Nov. 19-Dec. 4 a Provincial Conference met in Ottawa at the call of Sir R. Borden to deal with varied questions of Soldiers' land settlement, development of waste lands, transfer to the Western Provinces of their natural resources, demobilization of Canada's military forces, the repatriation of Overseas soldiers, increased production. Most of the Federal Ministers were present from time to time and Sir Thomas White welcomed the Delegates who included the following:

Ontario	Sir W. H. Hearst; Hon. G. H. Ferguson
Quebec	Sir Lomer Gouin; Hon. L. A. Taschereau; Hon. Walter Mitchell; Hon. J. E. Caron
Nova Scotia	Hon. G. H. Murray; Hon. O. T. Daniels, Hon. R. M. McGregor; Hon. Wm. Chisholm; Hon. R. E. Finn
New Brunswick	Hon. W. E. Foster; Hon. J. F. Tweeddale
P.E. Island	Hon. A. E. Arsenault; Hon. M. MacKinnon
Manitoba	Hon. T. C. Norris; Hon. T. H. Johnson
Saskatchewan	Hon. W. M. Martin; Hon. W. R. Motherwell; Hon. C. A. Dunning; Hon. W. E. Knowles
Alberta	Hon. C. Stewart; Hon. J. R. Boyle; Hon. C. R. Mitchell
British Columbia	Hon. John Oliver; Hon. F. D. Pattullo

Every effort was made to co-ordinate the plans of Dominion and Provincial Governments in dealing with returned men and Reconstruction; addresses were given by H. J. Daly, Sir James Lougheed and others connected with Repatriation; the Secretaries of all the Provincial Soldiers' Commissions were in attendence; Land settlement plans were agreed upon to a considerable extent, a joint construction of Highways was arranged for and lesser matters settled; the ever-present issue of Provincial control of

Western lands remained unsettled, as in the February Conference, owing to conflicting claims of East and West. An interesting question early in the year was that of Federal powers in limiting the sale of Provincial securities by Order-in-Council. Quebec protested on the ground that it was beyond Dominion jurisdiction; Nova Scotia declared the constitutional issue a grave one; Ontario took the same view but as a war measure accepted the policy; Alberta objected to it as an encroachment upon its rights and thought that it should have been settled by conference; Saskatchewan took much the same view. Sir R. Borden and Sir T. White upheld in their replies the constitutional right of the Dominion but maintained that the step was essential from a Provincial as well as Dominion financial standpoint during the War.

A movement for the union of the Maritime Provinces was launched in an elaborate address to the Moncton Canadian Club on Feb. 28 by Hon. J. B. M. Baxter, K.C., lately Attorney-General of New Brunswick. Cheaper government and increased influence were his chief arguments. At Amherst, N.S., on Mch. 14, H. J. Logan, K.C., ex-M.P., urged the same policy with identical maritime interests, a common Roads and Immigration policy, the development of bigger men politically, uniformity in law, unity in Courts and Education, a better Federal subsidy, broader public views, better credit, united advertising and general development as the basic reasons. At the meeting of the Council of the Canadian Bar Association at Montreal on Apr. 13 the President, Sir James Aikins, stated that the following Provinces had passed, or were about to pass, statutes under which official Commissions regarding uniform Provincial laws would be appointed—Manitoba, Ontario, Alberta, Nova Scotia and New Brunswick.

Ontario in 1918; Government, Legislation and General Progress.

The Hearst Government had inherited a policy of careful progress; it carried out one of advanced character and rapid action in Hydro-electric development, Labour plans, Social legislation, war leadership, Soldiers' aid and Educational procedure. In a succession of speeches which were usually eloquent and forceful Sir William Hearst during 1918 laid down a clear-cut policy and vigourous opinions for his party and the Province. He spoke at Stratford on Jan. 16 and repudiated the idea of bringing in Chinese labour while urging intensive farming and increased production with pledged Government aid in the up-building of New Ontario, and as to the potato crop, the supply of seed to the farmer and the grading of butter; to a single Tax deputation on the 21st he declared a tax on unimproved land worthy of consideration though it would not encourage cultivation as the current problem was largely one of labour; to a Labour delegation (Jan. 28) he promised action as to the ages of children working in factories and at a meeting on Feb. 4 declared that although aliens in Canada should be "made to

help in some particular way," conscripting them as labourers would not work out satisfactorily.

In a press interview at New York on his way to a three weeks' rest at Porto Rico and in the Southern States—during which Hon. G. Howard Ferguson was Acting Premier—Sir William (Mch.28) urged an outpouring of United States as well as Canadian energies to meet the current war crisis. While opening the new Public Utilities building at London (July 10) he replied to a question regarding the possible passage of Hydro-electric power into Federal hands that: "What we have we'll hold," and added that its water-power resources were among Ontario's greatest wealth reserves and would continue to be developed and controlled by the Province. To a deputation on May 28 he promised a Select Committee as to the Housing question with a view to "definite technical and concrete" conclusions and announced its membership a little later as including G. Frank Beer, Sir John Willison (Chairman), Rev. Peter Bryce, M. J. Haney, Thomas Roden, H. H. Williams, H. V. F. Jones, Alderman J. Gibbons, Captain S. H. Marani, H. S. Schofield, J. H. McKnight and E. J. B. Duncan. Addressing the visiting French Regiment— the famous "Blue Devils"—Sir William on June 29 gave them an eloquent welcome: "France has placed in her debt every civilized people, every nation that loves freedom, honour and right. By her unstinted sacrifice, her matchless valour, and her unconquerable spirit, France forms a living and impassable barrier against the barbarism that would enslave, if it could, the whole world. From this Province over 200,000 men have gone across the seas to fight for France—and to fight for us. Thousands of our heroic dead, many of them the brightest and bravest and best we had to give, are sleeping their last sleep beneath the soil of France, made sacred to us by their ashes. Little wonder then that France is hallowed ground to us."

At Toronto on June 29 he welcomed a visiting Battalion of United States troops and at Sault Ste. Marie (July 1) he presented war medals to 130 veterans of the War; on July 12 he agreed to appoint, by joint request, a Board of Arbitrators in connection with the differences between Toronto and its employees; on the 20th the Premier announced in a letter to the Housing Committee that the Province would advance to Municipalities up to a total of $2,000,000 for loans at 5 per cent., to working-men and women to build houses costing not more than $2,500—the Municipalities lending $1,250 to each $1,000 of the Government's; in September ex-Mayor J. A. Ellis of Ottawa was appointed to the Railway and Municipal Board, with special charge of the operation of the new Housing Act of the Province. Addressing an Exhibition luncheon (Sept. 6) Sir William spoke of Ontario's splendid war record in men, money, conservation, production and patriotic giving, and added that "people must not overlook the fact that the greatest asset of any nation, an asset transcending that of material wealth, is citizenship, the right to claim a part in the traditions and glory

of the British Empire, and anything that makes these things possible and makes stronger the ties of Empire must take its place among the things which count for great good." To a Delegation of women on Dec. 11 which asked for the right of election to the Legislature he told them that if women really wanted it, they should have it and that the Government "would not lag behind public sentiment in the matter."

There were some important Government changes in 1918. The Hon. W. J. Hanna, K.C., resigned his place as Minister without Portfolio in February in order to devote himself to private business. On May 23 the retirement of Hon. R. A Pyne, M.D., LL.D., Minister of Education since 1905, was announced with the appointment of the Ven. Henry John Cody, M.A., D.D, LL.D, Archdeacon of Toronto and Rector of St. Paul's Church as his successor. At the same time Sir William Hearst retired from the post of Minister of Agriculture which he had been holding for a year or so since the death of Mr. Duff late in 1916 and George Stewart Henry, B.A., LL.B., M.L.A., since 1913, formerly Reeve of York and Secretary of the Ontario Good Roads Association, was appointed to the post. The Premier issued a statement in which he paid tribute to Dr. Pyne's Educational work and his Orpington Hospital in England and then made this reference to Dr. Cody: "I do not believe that anything, save the deep and earnest sense of public responsibility at this critical time, which rests upon every man to do his best for the State, as well as the unique opportunity now afforded for public service, could have induced Dr. Cody to accept the leadership of Education in this Province."

Dr. Cody, himself, stated to the press that: "The Department of Education presents many interesting and fundamental problems in connection with the making of the new Canada. As a general principle I think our educational machinery is a means to an end and not an end in itself." As to this interesting leap from the pulpit into politics the new Minister declared that Education and Christianity should go hand-in-hand and that in the field of education he would have work to do second only in importance to the work of the Church. He did not resign his Rectorship but, on June 20, stated that his salary would be employed in paying two assistants. This appointment aroused much comment of a sort very complimentary to Dr. Cody whose eloquence and clear thinking had long since made him prominent in the highest public life of the Province; *The Globe* on May 24 spoke of his vivid idealism and force of character and declared that his administration should be earnest, vigourous and progressive. The only criticism expressed was in respect to his dual, religio-political, position with an outside critic in *Le Devoir* of Montreal; to this objection the Rev. Father Minehan wrote a vigourous defence in the press of June 1st while the appointment was eulogized by such clergy of other churches as Rev. Dr. S. D. Chown, Rev. Dr. John Neil, Rev. Dr. W. J. MacKay.

The new Minister was nominated to succeed Dr. Pyne in North-East Toronto and on June 10 expressed this clear general view of conditions: "The Allies are fighting not only to make the world safe for democracy, but also to make democracy safe and serviceable for the world. And no democracy can be safe and serviceable without two factors—honesty and intelligence. It is here where the Schools come in." The Labour party put up William Varley, a returned soldier, in opposition to the Minister as the Liberals under current conditions of Party truce refused to oppose him; Mr. Varley's platform included the establishment of Industrial Councils and rural credit banks, the bringing of aliens under the M.S.A., adoption of Proportional representation and provision of better educational facilities for Labour. Mr. Henry ran again in East York and, though the Liberals had no official candidate, John Galbraith ran as an Independent Conservative in opposition to any extension of the Legislative term and in favour of elimination of French from all Provincial schools, a municipal referendum on the question of Land taxation with Government control of Nickel refineries. Dr. Cody was elected on Aug. 19 by 10,059 to 4,767 and Mr. Henry by 3,474 to 748.

Meantime, the war-work of the Government had been efficient, generous and beyond reproach. In the earlier years of the War there had been gifts or grants to all kinds of Relief Funds abroad and war funds, or purposes of practical effort, at home. This Government led the way in its grant of $500,000 for Machine Guns, in its expenditure of a million and a quarter upon the splendid Ontario Military Hospital at Orpington, in its initial gifts of Flour to the Mother-country and of cash or supplies to Belgian Funds, to the Navy, the Patriotic Fund, the Red Cross and Greater Production work; in its support of Maple Leaf Clubs in London. During 1918 its total contribution to war purposes was $3,654,304 compared with $2,414,447 in 1917, $749,218 in 1916, $1,346,478 in 1915 and $295,244 in 1914. This large total of $8,459,692 was in its main details, divided as follows: Ontario Military Hospital $1,298,292; War grants and gifts $2,556,029; Salaries, etc., paid to Civil Servants on active service $288,787; Resources Committee and Patriotic campaigns $410,653; Soldiers' Aid Commission and Recruiting $275,981; Returned Soldiers' and Sailors' Land Settlement $666,065; Grants to Canadian Patriotic Fund $2,096,643; Encouragement of Food Production, etc., $834,517. In 1918 the special Government grants included $149,841 toward maintenance of Orpington Hospital; $812,354 to British Navy purposes, Belgian Relief, Soldiers' Comforts, Maple Leaf Clubs, G.W.V.A. ($37,500) and Halifax Relief ($200,000); $260,000 to Production and other campaigns; $468,544 for the Land Settlement Act and $1,166,666 to the Canadian Patriotic Fund; $324,256 for the purchase and operation of Farm tractors; $168,391 for the purchase of Seed grain.

Many steps forward were taken during the year along the line of these expenditures. The Ontario Soldiers' Aid Commission,

under control of Hon. W. D. McPherson, Provincial Secretary, reported in February 115 branches throughout the Province which had placed 6,000 returned soldiers in positions; the continued operation of the Land colonization scheme at Kapuskasing; a large number of men still undergoing treatment in Hospitals or special vocational training. The Organization of Resources Committee in connection with its Production campaigns created three new Sub-Committees—Labour, Agriculture and Finance; the Maple Leaf Clubs in London were enlarged and improved and upon the death of Richard Reid, Agent-General, on Oct. 20, Brig.-Gen. R. F. M. Sims, D.S.O., was appointed temporarily to the position; Mr. McGarry's war-taxation and financial policy continued to produce surpluses which in part, were used for war purposes as indicated above. In January the Government donated three Aeroplanes to the Canadian Aviation Association.

As to the people it is hard to indicate in few words the full measure of their patriotism. In the Legislature on Feb. 6th W. C. Chambers gave a partial list of their contributions to War purposes as totalling $29,300,000; in the Victory Loan appeal of November the Province was asked for 205 and subscribed 336 millions; for production Toronto alone gave 5,000 war gardens and a product worth about $200,000 while the Province increased its acreage under all crops from 9,003,000 acres in 1917 to 10,724,303 acres in 1918 according to Federal statistics and from 9,722,364 acres to 9,984,138 according to Dr. G. C. Creelman, Commissioner of Agriculture;* Women's Institutes of the Province devoted much time to war work and their 889 branches during the year aggregated for Ontario as a whole 146,685 pairs of socks and 240,475 other articles worth, with cash contributions, a total of $855,000. Speaking in Toronto on Oct. 27 Sir William Hearst said: "Ontario may well be proud of what it has done. Half the enlistments from Canada have been from this Province. We have given to the Patriotic Fund 19 millions, or within half a million of all the other Provinces combined. Five millions we gave to the British Red Cross, and our aggregate voluntary giving far exceeds 30 millions. Of the last Victory Loan Ontario contributed about one-half." As a matter of fact the total of Ontario's war contributions was greater than the Premier's estimate as the following table shows:

Canadian Patriotic Fund	$21,000,000	Tobacco Fund for Soldiers	126,000
Canadian Red Cross	5,600,000	Armenian Relief, Hospital Ship, Khaki Day,	
British Red Cross	5,000,000	Kitchener Day, etc.	190,000
Belgian Relief	3,000,000	Ontario Government Grants	
Secours Nationale	310,000	for various purposes	8,000,000
Serbian Relief	35,000	Miscellaneous, such as Soldiers' Insurance, Ammunition, Recruiting, Military Hospitals, etc.	3,450,000
Red Triangle, Y.M.C.A.	2,395,000		
Machine Guns	780,000		
University Hospital Supply	250,000		
Italian Red Cross	30,000		
Catholic Army Huts	425,000		
Navy League of Canada	1,000,000	Grand Total	$51,591,000

*Note.—*The Globe* Annual Survey of Jan. 2, 1919.

During the year the Department of Agriculture did much to develop production and help war-work with total figures of acreage as given above, and a value stated by Dr. Creelman at $350,000,000 for 1918. It compared with $333,691,563 for 1917, $223,748,948 in 1916, $210,674,415 in 1915 and $199,152,945 in 1914 or a total in the war years of $1,317,267,866. In the preceding five years the total was $878,302,271. Between 1914 and 1917 the values of Live-stock had, also, gone up from $250,870,078 to $289,676,977, in cheese from $13,602,745 to $25,771,944 and in Butter from $6,518,-005 to $10,906,068. During the year Automobiles in Ontario had increased at least 25,000 in use and of these the farmers had a large number while the Government aided them in the purchase of tractors. Along other lines the Department gave much help under Sir William Hearst and then under Mr. Henry. Municipal Councils were appealed to in the matter of increased Production and organizing expenses were paid; a week was set aside by Proclamation for dedication and preparation and stimulation of interest in food production; 40,000 bushels of seed wheat were distributed and the needs of the situation advertised in a large way; arrangements were made with Banks for loans to farmers up to $200 with a total of $114,294 so advanced while a Soldier of the Soil movement brought 20,000 boys into emergency work on the land; 328 tractors were placed in operation on the farms and flax production encouraged while girls were organized for the fruit farms and sugar-beet crop.

Plans were got under way for establishment of a 5,000-acre Government sheep and cattle ranch in order to stimulate those industries and a survey of farms in certain townships started with a view to finding out the best-paying agricultural methods for different sections; improved drainage was encouraged and a policy of dividing the Province into 4 Zones was adopted with qualified men in charge of each area studying soil conditions, making surveys, etc.; threshing gangs were organized for the harvest season under direction of Justus Miller, Assistant Commissioner of Agriculture; women of New Ontario were trained in farm work at Monteith Agricultural School and others at the Guelph College; in response to Registration requirements 84,000 cards came from Toronto, York, and a dozen other sections of the Province volunteering for farm work; a special course in farming was arranged at Guelph for Overseas men. Many valuable publications were issued by the Department and the Ontario Agricultural College reported for 1918 an attendance of 1,722 students with a new Farm Power course which had 154, a Farmerette course with 31 and a Domestic Science course with 379 in attendance. As to the rest the increase of cattle in 1918 over 1914 was 270,000—though hogs and poultry showed a decrease. Mr. Henry in his speeches during the year urged the great Live-stock opportunities of the future and in Toronto on Nov. 15 made this general comment: "It is true that the rural population is diminishing, but the remarkable fact is that production is at the same time increasing. Not

the least factor in this has been the rapid adoption of improved machinery for farm work, notably the tractors which the Ontario Government has done so much to develop." The chief agricultural products of the year were as follows (Federal statistics):

Crop	Acres	Total Yield	Total Value
Fall Wheat	362,616	7,054,800 bus.	$14,763,000
Spring Wheat	351,423	8,186,200 bus.	16,638,000
All Wheat	714,039	15,241,000 bus.	31,401,000
Oats	2,924,468	131,752,600 bus.	102,212,000
Barley	660,404	24,247,700 bus.	25,809,000
Mixed Grains	619,389	27,462,400 bus.	29,823,900
Corn for husking	195,310	13,015,200 bus.	22,384,800
Potatoes	166,203	19,376,000 bus.	24,413,000
Turnips, Mangolds, etc.	141,001	64,896,000 bus.	20,767,000
Hay and Clover	3,470,036	4,596,900 tons	75,848,000
Fodder Corn	380,946	3,944,300 tons	22,601,000

Rye, Peas, Beans, Buckwheat and Flax totalled 566,257 acres with a yield of 10,376,000 bushels worth $21,718,200 and Sugar beets and Alfalfa had an acreage of 152,010, a product of 509,000 tons, and a value of $7,036,000. The finances of the Province continued excellent during 1918. In his Budget speech of Feb. 12 the Hon. T. W. McGarry dealt with a Surplus for the fiscal year ending Oct. 31, 1917, of $1,751,374 compared with $1,135,006 in 1916, $271,370 in 1915 and a deficit of $697,928 in the first partial year of war. The Debt was reduced by $1,216,301 and he quoted the War gifts and grants of the Government to date as $28,000,000 compared with $15,000,000 on the part of all the other Provinces. The estimated Receipts for 1918 were $17,044,728 and Expenditures $11,570,533 with $12,147,033 more on capital account. The actual Receipts for this latter year *totalled $19,270,123, the ordinary Expenditures $17,460,404 with a Surplus of $1,809,719; the payments on capital account were $19,599,791. The Receipts included Dominion subsidies, etc., $2,579,750; returns from Lands, Forests and Mines, $2,964,161; Succession duties $3,157,566 and Corporations tax $1,773,685; Motor Tax $1,214,093 and Hydro Power Commission $1,412,604; T. and N. O. Railway, $300,000 and Provincial War-Tax $2,054,212.

The Expenditures included $2,797,133 on Education; $2,263,572 on Maintenance of Public institutions; $967,286 on Agriculture and $54,757 on hospitals and charities; $267,577 on Colonization roads and $82,489 on Highways Department; $875,684 on Crown Lands charges and $4,277,934 on Public buildings. As to capital expenditures $475,142 went for various institutions, $8,569,951 in advances to the Hydro-Electric Commission, $645,446 on Northern development and $642,208 on Highway improvement. During these war-years Mr. McGarry's total surplus was $4,967,471 less the deficit of 1914. There was on Oct. 31, 1918 a total Provincial Debt of $75,645,917 with indirect Liabilities and Guarantees totalling $19,120,269. Against these, according to the Provincial

*Note.—Budget of Mch. 6, 1919.

Treasurer's calculation, there were Assets composed of $5,195,244 in cash or Bank balances; advances to the Hydro-Electric Commission $36,243,527; value of Public buildings and Lands $22,555,103; cost of Temiskaming and Northern Ontario Railway $21,822,744 and other items. The estimated value of the available natural resources of the Province was $503,000,000—Timber, pulp-wood, mining and agricultural lands, water-powers, etc.; the taxable property of the Province was $2,000,000,000.

In February, 1918, the Treasurer issued $3,000,000 of gold bonds for 10 years at 6 per cent.; in May another $3,000,000 on the same basis and in August $1,750,000. Early in the year Mr. McGarry obtained legislation for the appointment of one Purchasing Agent for all the Departments with a view to greater economy and efficiency. It may be added that $8,000,000, altogether, was received up to Oct. 31, 1918, from the War Tax, while $8,400,000 had been expended. The Treasurer took great interest in the Moving Pictures policy of the Agricultural Department and realized their value as an educational medium; he, therefore, in December took action against the extreme Americanized form of war films being shown in the Province. On Dec. 3rd the representatives of Film exchanges were told that: "My attention has recently been drawn to the fact that at almost all the moving picture theatres in Ontario pictures are being shown which invariably portray the actions of the American army, both in the United States and overseas and that on very few occasions are there any views of the Canadian army, either here or overseas, nor is it often that one sees anything depicted on the screen here with regard to the British army." This, he said, must be corrected.

The Educational statistics for the cadendar year 1917* showed 6,103 Public schools with 457,616 enrolled pupils, and an average daily attendance of 295,652; 11,274 teachers of whom 1,219 were men and 8,509 of whom had attended Normal Schools; an average annual salary for male teachers of $1,039 and for females of $650; a total expenditure of $12,798,112. The Roman Catholic Separate Schools numbered 548, the enrolled pupils 70,048, the teachers 1,488, the average daily attendance 46,919, the total expenditure $1,313,723 of which $630,589 was for teachers' salaries or an average of $428—many, of course, being religious teachers without charge. The High Schools and Collegiate Institutes numbered 162, the enrolled pupils 29,097, the average daily attendance 22,740, the teachers 1,051, the total expenditures $2,418,975 of which $1,554,049 went for teachers' salaries. There were, also, 6 Protestant Separate Schools, 13 Night Schools, 137 Continuation Schools and 23 Night High Schools.

These statistics applied to Dr. Pyne's last full year as Minister of Education; in his last Session, and early in 1918, a number of important new enactments in Educational law were approved and they included: (1) an increase in salaries of County Inspectors

*Note.—Included in the Minister's Report for 1918 issued in March, 1919.

and an increase in the amount allowed for inspection, in cities, to $6.00 per school; (2) amendments to the Superannuation Act enabling the Province to receive any gift or bequest made to the Fund by a private donour, extending its benefits to teachers who left Provincial schools in order to instruct returned soldiers in vocational classes, and giving statutory sanction through arrangements made by the Toronto and Ottawa School Boards as to certain local Funds; (3) the grant to High School Boards of the power to defray cost of transportation to, and tuition at, other High Schools, of the children of ratepayers for whom the Boards did not provide classes in the High Schools under their control.

Prior to Dr Cody becoming Minister on May 23 he had delivered many addresses on semi-educational and clearly patriotic topics —as at Montreal on Jan. 22, Baltimore on Feb. 3, Winnipeg on May 5. Following his appointment he gradually elaborated his ideals and policy as to the practical side of Education in a series of speeches and in certain preliminary changes and announcements of policy. In this process he had the experienced co-operation of the Deputy Minister—Dr. A. H. U. Colquhoun. Dr Cody put the rights of children on the same plane as the old-time rights of man and the modern rights of women. He favoured a strengthening of the Truancy Act; emphasized the needs of education in a physical, moral, mental and spiritual aspect. As to details it was announced that Spanish would be authorized as optional in Collegiate Institutes and High Schools after September, 1919; that the German language would no longer be a compulsory subject at the University; that History would be restored amongst the subjects for Junior High School entrance; that a Syllabus would be issued containing suggestions as to the teaching of History in primary schools; that Medical and Dental inspection in rural schools should be made compulsory.

There was to be a simplification of the whole educational system, and as to the Technical and Industrial branch he was explicit in a Toronto speech of Nov. 21, which dealt with the special secondary schools covering this subject and with which was to be linked a proposed raise in the compulsory school age. Travelling Libraries were supplied by the Department during this summer to Niagara and other Military camps under direction of W. O. Carson, Inspector of Public Libraries, and a plan was inaugurated by the Minister to assist returned soldiers who wished to enter upon a teachers' course as well as those who were teachers-in-training before enlistment. At the close of the year (Dec 13) Dr. Cody intimated the probable organization of Technical Schools at Brantford, Peterborough and St. Catharines, and urged Dominion help to these institutions as a part of the reconstruction policy; wherever he spoke there were eulogiztic words for Britain's part in the War, for the great mission of the Empire in conserving public liberty, for the place of Canada in the battle-line of the nations. In September and October the Minister spent some weeks in England and at the Front, on the call of the Imperial authorities, to consult on educational matters affecting the soldiers; he also made a study of industrial

education abroad as affected by existing conditions and legislation.

Meantime, the long-continued controversy over the Ottawa Separate Schools had dragged through another year. Steps were taken by Senator N. A. Belcourt to obtain the ruling of the Privy Council as to the constitutionality of the Ontario legislation which had created a Royal Commission to administer the Ottawa Schools; judgment was given by Mr. Justice R. C. Clute in Toronto (Jan. 14) in favour of the Ottawa Separate School Board and against the Banks and the old Ottawa School Commission to which certain School Board moneys had been paid over and used in connection with the Schools—a decision affecting the Ontario Government, which had legalized by special Act in 1917 the expenditure of these sums; on Oct. 24 an appeal from this decision was heard before Chief Justice Sir W. Meredith and the Court of Appeal and allowed—the Court holding that the legislation which justified the expenditures was valid and the Commissioners entitled to be idemnified for the money expended in carrying on the schools —the Ottawa S.S. Board then carried the case to the Privy Council.

In January it had been announced that French-Canadians desiring to settle in Northern Ontario must sign an affidavit that they would obey the laws and regulations of the Province—including the famous Regulation 17—while aliens under the same ruling were compelled to declare their obedience to all laws, statutes and regulations of the Dominion and Province, military and civil. According to information given the Legislature on Feb. 21, by Sir William Hearst, the English-French schools in Essex and Kent counties were complying with the Regulations and there had been a general improvement in conditions throughout the North country where bi-lingual schools were numerous; this statement was endorsed by Hon. G. H. Ferguson, Acting Minister of Education, who stated on Feb. 28 that about 35 per cent. of the English-French schools of Ontario were complying with the law and Regulations of the Department and that even in the schools of Ottawa the Inspectors were admitted without any difficulty and English was being taught to some extent; *La Presse*, Montreal, on Apr. 20, published a letter from Archbishop McNeil of Toronto urging united action by the French and Irish Catholics of Ontario—those interested in improving the Separate Schools either financially or linguistically.

Sir William Hearst issued a statement on May 4th declaring that: "So long as I am Prime Minister the policy that Regulation 17 was enacted to carry out and enforce will remain the policy of the Government of Ontario"—namely a good English education for every child in the Schools. At Belleville on July 25-26 a number of representatives of Fraternal Societies including the A.O.U.W. and Société des Artisans Canadiens Francais, Montreal; the Orange Order and L'Union St. Joseph du Canada, Quebec; the C.M.B.A. and L'Alliance Nationale, Montreal; the Canadian Order of Foresters, Associated Boards of Trade, Royal Arcanum, the Maccabees, etc., met under call of W. C. Mikel, K.C., with a view to creating

a better understanding between French and English Canadians as to schools and language. Mr. Mikel was Chairman and speeches were made by men of such opposing views as Napoléon Champagne, K.C., Ottawa, L. A. Lavalée, K.C., Montréal, J. W. Edwards, M.P., E. T. Essery, K.C., London, A. Bélanger, M.L.A. The discussion was a valuable one and another Conference took place at Ottawa on Nov. 28.

The University of Toronto held its usual high place in the life of the Province but the conspicuous feature of 1918 was still one of war duty and necessity. During the War its enlistments had totalled 5,308 and its casualty lists 1,398; men from this institution had won 495 Decorations and 242 of them had been mentioned in Despatches; the *Varsity Supplements* had, from year to year, afforded an attractive and able presentation of the University's war-life and action and the contributions of students to Patriotic objects had totalled $26,000 up to the beginning of 1918. During this last year of War a course was opened for the training of teachers in vocational work amongst returned soldiers; one year's credit was given to students engaged in special national service and a Memorial planned to the fallen heroes of the University, after the War; the equipment of the Department of Mechanical Engineering was enlarged to include an aero-dynamical laboratory; the Medical graduation in April provided about 200 physicians available for much-needed service in the C.A.M.C.; on May 17 eight returned men received the B.A. degree and Lieut.-Col. George C. Nasmith, G.M.G., M.A., PH.D., D.SC., was awarded the degree of Doctor of Public Health for his services at the Front while the Earl of Reading and Hon. Elihu Root received the Honourary degree of LL.D.; during May the 12th Overseas draft of the University Training Corps was sent on service. Other incidents of the year included the formation of a Faculty of Music and a grant to the Faculty of Medicine by Sir John Eaton, Toronto, of $25,000 a year for 20 years beginning Jan. 1st, 1919 and with a view to the development of the teaching of Medicine. The report of the Governors for the year of June 30, 1918—Sir Edmund Walker, Chairman—showed gross revenues of $916,890 and expenditures of $1,076,225 with a Legislative grant of $200,000 to cover the deficit. Sir Robert Falconer, the President, reported a total Staff of 413 with 2,799 registered students and 486 degrees conferred in the year.

Queen's University, Kingston, had a record at its Spring Convocation of 1,150 enlisted men, with 98 killed in action and 72 Decorations won; to it came, early in the year, a new Principal in the person of the Rev. Dr. Bruce Taylor of Montreal, well-known as a speaker, preacher and scholar and Minister of Old St. Paul's in Montreal for the past 7 years; to its Theological Faculty, also, the Rev. Dr. S. W. Dyde was inducted at the close of the year. In October a campaign was decided upon to raise $375,000 in order to meet the conditional bequest of the late Chancellor, James Douglas of New York, of a similar amount with $125,000 secured almost

at once; a $5,000 Scholarship was founded by J. B. Carruthers, Kingston, in honour of Major K. Bruce Carruthers, B.Sc., killed in action; an Aviation course was organized in December under the Faculty of Approved Science and it was decided earlier in the year that no more negro students would be admitted to the College; the Legislative grant to the institution was $80,000 and amongst those elected to the Board of Trustees during the year was Sir John Willison, Toronto.

Of the other Ontario Universities in 1918 Knox College honoured the Rev. W. H. Sedgwick, Hamilton, and Rev. J. R. Menzies, M.D., Honan, China, with the degree of D.D.; Wycliffe College conferred the same degree on Rt. Rev. Isaac O. Stringer, Bishop of the Yukon; Victoria College, with its 500 representatives at the front, found financial calls very heavy and received aid early in the year from prominent Methodists to a total of $500,000 and at its April Convocation conferred the Hon. degree of D.D. upon Rev John W. Saunby, B.A., (Japan) Rev. E. W. Stapleford, B.A., Regina, and Rev. Alfred E. Lavell, B.A., Toronto (Chaplain with British forces in Greece and Serbia); McMaster University conferred its Hon. D.D. upon the Rev. John MacNeil, Toronto, Rev. A. N. Marshall, Ottawa, Rev. T. T. Shields, Toronto, Rev. J. C. Carlile, Folkestone, England; Western University, of London received grants of $60,000 from the Ontario Government for various Departments. Of institutions other than Universities, Upper Canada College at its Prize Day on Nov. 22 announced the death in action of 158 Old Boys and the enlistment of 1,111 altogether; Albert College, Belleville, reported 278 graduates as enlisting and 18 dead on active service.

The 4th Session of the 14th Legislature of the Province was opened by His Honour Sir J. S. Hendrie on Feb. 5, 1918, with a Speech from the Throne which referred to the War and the consecration of Ontario's efforts to the cause; mentioned the serious food shortage which threatened the world and the Government's policy in promoting production, encouraging the consumption of fish and urging economy; referred to the plans for aiding returned soldiers, to the completion of the Orpington Hospital and to the Halifax disaster; dealt with the purchase of the Ontario Power Co. plant by the Hydro-Electric Commission, the active construction on the Chippewa-Queenston project and the enlarged supply of electrical energy which might be expected; promised investigation of Peat resources with experiments as to its utility, spoke of the taking over of the main highways throughout the Province with a view to general after-war improvements. The Address was moved by Charles Calder (South Ontario) and seconded by W. C. Chambers (West Wellington) and agreed to without division on Feb. 7. During the debate there was a general absence of Party spirit and, except for the occasional attacks by H. H. Dewart, K.C., upon Nickel policy and other points, the Session was essentially non-partisan with a working war-period agreement between William Proudfoot, K.C., Leader of the Opposition and the Prime Minister.

The more important items of succeeding legislation were the

Natural Gas Act designed to meet certain conditions in Western Ontario and giving the Ontario Railway and Municipal Board wide powers of control over production and transmission; an Act providing for the appointment of a General Purchasing Agent for the Province and the practical elimination of Patronage from the Departments; amendments to the Succession Duty Act providing that such duties be not imposed on gifts made to near relations below the aggregate value of $20,000 and made over three years before death; a measure authorizing the Government to raise by loan $6,000,000 for works carried on by Commissions for the Province—chiefly the Hydro-Electric; a Bill allowing Municipalities, through by-law and under certain conditions, to cultivate vacant land so as to bring under cultivation land held by speculators; a measure improving conditions under which women and children worked in factories or shops and extending powers of inspection; a Bill enabling the Government to provide for the better development of Provincial Fuel resources.

Other measures increased the Prime Minister's salary from $9,000 to $12,000 a year—with the official approval of the Opposition Leader; amended the Mining Act in various particulars and provided for the better distribution and sale of fish from Ontario waters; regulated the Civil Service with a view to eliminating political patronage and provided for appointment of a Civil Service Commissioner; dealt with Venereal diseases along the lines of Judge Hodgins' Report—compulsory registration, treatment by duly qualified medical men, prohibition of quack advertising cures, isolation and arrest if deemed necessary to protect the community; set aside $1,000,000 under preceding legislation and gave the Government permission to borrow another $5,000,000 to be used in the development and opening up of Northern Ontario after the War —by the purchase of seed grains and seed potatoes and agricultural implements to be sold or distributed to settlers, by the purchase of cattle and live-stock and lands, by the erection of schools and the making of loans, by the erection or operation of creameries, cheese factories and grist mills; provided for the protection of insectivorous birds with the statement by Hon. F. G. Macdiarmid that Canada's loss from insects was $125,000,000 annually; enacted that when Bye-elections should become necessary nominations must take place eight weeks before election day and each nomination paper bear one hundred names with the preparation of voters' lists in the hands of the returning officer; granted the University of Toronto $3,750 a year for anti-toxin work and extended the Moratorium as to mortgages for another year.

An important Bill was that extending the duration of the Legislature until a year had elapsed and a Session been held after the return of the soldiers—following a date certified by the Minister of Militia and Defence, or declared by the Governor-in-Council to be the date of the return of the last of such forces transported from Overseas by the Government of Canada. The idea was approved by Mr. Proudfoot, Opposition Leader, and the

Bill drafted in consultation with him; it met the approval of his followers and of the press on both sides of politics; it was not opposed in the House, except by H. H. Dewart, on Mch. 5 when the second reading was carried by 59 to 1.

This record showed a considerable volume of Government legislation and the Opposition on the whole maintained the political truce. Mr. Dewart was the exception and he protested against the eight weeks' clause in the Elections Act and was supported by several Liberals; objected to the administration of the Ontario License Board and moved the reduction of the estimates (March 20) for enforcement of the Ontario Temperance Act and the reduction of Commissioners from five to one; declared by Resolution (afterwards withdrawn) on March 21 that the Nickel taxes' agreement of 1913 with the Canadian Copper Co. was unauthorized and that certain alleged arrears of taxes should be collected; urged Government control of Nickel refining plants and negotiations with the Governments of Great Britain and the Dominion to acquire absolute control of Ontario's Nickel mines and product. Mr. Proudfoot declared that there was too much Government-in-Council legislation, wanted Truancy officials put under the Boards of Education and favoured a Married woman's household allowance being alloted to her as income. In the House on Mch. 21st the Opposition Leader moved for a Committee to inquire into provision of greater safeguards for the public in respect to Loan Companies, and the Premier agreed, with the appointment of the following members: Messrs. Lucas, Cameron, Dunlop, Irish, McCrea, Allan (Simcoe), Proudfoot, Carter and Bowman. Two Resolutions were unanimously passed—one reaffirming Ontario's admiration of Canadian troops' devotion to the cause for which they were fighting, and (2) stating and explaining the necessity for Food production and conservation and urging the farmers and the public to help. A Bill presented by J. C. Elliott (Liberal) for the admission of Women to the Legislature was rejected by a non-party vote on the Premier's motion (Mch. 21) and on the ground that there was no demand for such a right.

Sir Adam Beck and the Hydro-Electric Commission, with the collateral movement for Radial railways, continued during 1918 to hold a conspicuous place in the public mind. The Commission and its policy were established entities—a great project in successful operation; the Radial project was still quite incomplete in details. As to Power questions the year began with the subsidiary Ontario Power Co. preparing to provide for the Commission 50,000 additional horse-power before the end of 1918—an extension costing $1,800,000, and for which the money was borrowed a little later; on Jan. 15 an emergency meeting of the Hydro-Electric Municipalities—from Toronto to Windsor—was held to discuss a financial crisis with estimated needs running up to $15,000,000 and with ultimate advances up to Oct. 31, of $8,569,951 by the Provincial Government; on Jan. 30 the Execu-

tive, representing these Municipalities, urged that in addition to Sir Henry Drayton as Dominion Power Controller Sir Adam Beck should be appointed for Ontario and also asked for nationalization of all Canadian railways and the electrification of such as might be in line with possible electric traction or radial roads in Ontario; at London, on Feb. 8, Sir Adam Beck urged the nationalization of the Grand Trunk and electrification of its branch lines under control of the Provincial Government and with a view to saving the people $25,000,000 of expenditure upon the proposed Electric Radial lines and for which, he claimed, the Hydro-Electric Commission could furnish more than 1,000,000 horse power from Niagara and the Long Sault Rapids.

This, he said, would be sufficient for the operation of the 1,000 miles of Ontario branches of the Grand Trunk and for all manufacturing purposes, and would tend to build up a Province of 5,000,000 population within a few years. In Toronto on Feb. 12 he urged these policies again but, as to the C.P.R., intimated (*Globe* report) that if the Company would offer their Railway at a fair price he was in favour of taking it over, otherwise he thought it should be left alone. A Resolution of his Associations (Municipal Electrical and Hydro-Electric Radial) at the same time urged the Government to take over the Grand Trunk and the G.T.P. lines and consolidate them with the Canadian Northern and other railways already taken over, but did not mention the C.P.R. In the Dominion Government's revision of the Railway Act there were clauses which gave the Hydro Commission certain advantages in its competition with the Toronto and Niagara Power Co. and the old Pellatt-Nicholls-Mackenzie interests; these the Senate on Apr. 17 amended so as to maintain the Power Company in its perpetual franchise for distributing electricity but to prevent that privilege from extending to the subsidiary Toronto Electric Light Co. On Feb. 21 the Ontario Hydro-Electric Association presented its Nationalization and electrification views to the Dominion Government but on the latter point did not receive much satisfaction from Sir R. Borden; meantime, on Feb. 14, the London Electric Railway, controlled by Mackenzie and Mann, gave up business after a long struggle with the Provincial Hydro interests in London.

A series of speeches by Sir Adam Beck followed in different parts of Ontario in which he urged with force and enthusiasm the policy of Nationalization and electrification; he was in Washington on Apr. 15 before a U.S. Congressional Committee and spoke for two hours on what Ontario was doing in electrical work with the conclusion that "after seven years of operation we are now the largest corporation selling electric power in the world"; at Port Stanley on July 10 he announced that electric power was to be extended to the North and that at Nipigon a plant to develop 130,000 horse-power would be built in order to develop the mineral resources of the North. Addressing a Convention in Toronto on Nov. 27 Sir Adam made this statement as to finances: "We are only an infant in years and only an infant in stature, but who

dreamed that we would to-day have an investment, as your trustees in Hydro, of 74 million dollars? I believe St. Lawrence development is coming and that we will convert them at Ottawa to the belief that we should have developments on that river. This enormous coal-mine has been running to waste, not depleting itself for it is the one coal-mine in the world that does not become exhausted. It is limited in capacity, but never depletes itself; it has been the same in volume for centuries and will flow on for centuries to come with the same amount of water power and product of electricity. We are going to have $105,000,000 invested."

The annual Report of the Commission for Oct. 31, 1918, did not indicate the basis for these figures but gave the total Assets, including costs of constructing the 11 Systems, Power development and distribution, equipment and shares of the Ontario Power Co., etc., as $38,978,133; the Liabilities included $26,063,944 in advances from the Provincial Treasurer, $1,900,000 in various Reserves, $8,990,100 in connection with the purchase of the Ontario Power Co., etc. The statements from 117 Hydro Municipalities showed the total in operating expenses and fixed charges as $2,696,898 and the revenues as $2,935,208—with very small deficits in 39 Municipalities. The situation as to supply of Hydro power was stated by Sir Adam on Nov. 28 as follows: "With 100,000 horse-power available in July, 1914, 50,413 was being supplied to the Municipalities; July, 1915, 80,054; July, 1916, with a total of 150,000 available, 113,671; July, 1917, 144,397, and July 1918, 149,424." The total preferred amount of power supplied by the Hydro in the Niagara district for the manufacture of shells and explosives was 80,000 h.p. On this and other occasions he said much as to the aid given by the Hydro to Munitions and its consequent limitations elsewhere.

During the power shortage in October Sir Adam blamed the Power Controller for an alleged favouring of the Toronto corporate power interests, United States demands and the Munitions Board; on Oct. 15 he declared that the Hydro was carrying 70 per cent. of the entire munitions load, while the balance was divided between the other two Companies; the Toronto Power Co. replied that on the Order of the Federal authorities made in November, 1917, its carefully planned reserves of 28,500 horse-power had been diverted from its customers' use and placed at the disposal of its business competitor—the Hydro-Electric Commission; the Hydro Commissioner responded that this total was diverted by Sir Henry Drayton to two American Munition plants through the Ontario Power Co.—a subsidiary of the Hydro—and at the appeal of the United States Government.

Electric incidents of the year included the Report in October of E. R. C. Clarkson, appointed by the Provincial Government on May 3, 1916, to investigate and audit the affairs of the Hydro-Electric Commission, with a general vindication of the Commission as having its accounts "well and sufficiently kept" with rates sufficient for current requirements; the rejection by 46 to 20 of

an effort of Mayor Buchanan, of Ingersoll, and others at the meeting of the Hydro Radial Association on Nov. 28 to obtain a new and what they termed an independent, audit; the purchase by the Commission of the Essex County Light and Power plant in March; the success of the Hydro Commission in the refusal of the Minister of Justice to disallow the Ontario Water-power Regulation Act of 1917 which gave that body certain rights of inspection over the developing operations of rival concerns; a victory for the Commission in its dispute with the Electric Development Co., as to the latter's use of an excess supply of 25,000 horse-power, through a decision of Judges Meredith, Sutherland and Kelly, made public on Apr. 30. The operations of the Toronto Hydro-Electric System to Dec. 31, 1918, showed a gross income of $2,353,443 and operation expenses, depreciation charges, etc., totalling $2,331,776; Power purchased from the Commission of $824,251 in value and an increase of 24 per cent. in commercial income; the retirement of R. G. Black from the Toronto Commission and appointment of George Wright. There was the failure of Sir Henry Drayton, Power Controller, in his appeal to the United States to secure release of 108,000 horse-power which was, in October, being exported to that country and was badly needed in Canada.

There was not much political action in Ontario during 1918 except in the steady growth of the Union of Ontario Farmers. On Jan. 3rd a representative meeting of Liberals in Toronto selected William Proudfoot, K.C., M.L.A., for Centre Huron since 1908, to temporarily lead the Liberal Party in the Legislature. The choice was unanimous though the names of Charles Bowman, Hartley H. Dewart, K.C., and J. C. Elliott were suggested. He consented to act during the ensuing Session and on Mch. 21 at a Party caucus his appointment was confirmed. Mr. Proudfoot supported Union Government at Ottawa but a good many of his followers did not and this induced succeeding complications; with the support of *The Globe* and the bulk of the Liberal press, he opposed a Provincial election during war-time and supported legislation to that end; H. H. Dewart, K.C., at Hamilton on Jan. 31 urged Sir William Hearst to take counsel with Mr. Proudfoot and form a Union Government to direct the administration of the affairs of the Province until the War was over; on Feb. 28 in a Toronto address Mr. Proudfoot delivered a clear and capable exposition of historic Liberalism in Ontario; later on Mr. Dewart took issue with the idea of a political truce and the extension of the Legislative term and revived his 1917 attitude as to the Nickel question; while, on May 28, a meeting of Seaforth Liberals expressed by Resolution their regret at Mr. Proudfoot's support of the Union Government and his "truce" attitude. In connection with the two Bye-elections of the new Ministers in Toronto the Liberal members of the Legislature on June 7 issued a statement declaring it unwise to oppose them but at the same time deprecating the rumoured intention of Dr. Cody to maintain his clerical as well as political

work. In both cases, however, independent candidates ran and were beaten by large majorities.

In Manitoulin Island on Oct. 24 Benjamin Bowman,, the candidate of the United Farmers and a Liberal in his past politics, defeated B. H. Turner, Government candidate, by 240 majority as against the preceding 226 Conservative majority of the late R. R. Gamey. Mr. Bowman's platform included Direct Legislation through the Initiative and Referendum, Civil Service reform, abolition of Patronage and war millionaires, public ownership and operation of public utilities. In North Huron, where A. H. Musgrave (Cons.) had held the seat by 130 majority, his resignation caused a vacancy with Dr. T. E. Case as the Government candidate, George Spotton as an Independent Conservative and W. H. Fraser as a Liberal without the endorsation of the official organization at headquarters. No platform was issued by the candidates and few meetings held; no efforts of the Government could settle the personal issue between the Conservative factions and, on Dec. 2nd, Mr. Fraser was elected by a majority of 1,257. Meantime, John A. Calder (Lib.) had been elected by acclamation in North Oxford on Sept. 23 to succeed Hon. N. W. Rowell and R. A. Fowler (Cons.), in Lennox to succeed the late T. G. Carscallen.

The United Farmers of Ontario cut a large figure in public affairs during 1918. Their opposition to the Conscription and Exemption policy of the Dominion Government was conspicuous* and active and accounted in part for the political turn-over in Manitoulin; they got into close relations with the Western Grain Growers and combined with them in a Dominion policy promulgated by the Canadian Council of Agriculture; they prepared to take an active part and nominate candidates for the next Provincial elections. R. H. Halbert, President, and J. J. Morrison, Secretary of the U.F.O., were continuously active during the year in leading the Association along anti-conscription and political-organization lines. At the annual meeting in Toronto on June 7 Resolutions were passed (1) asking the Dominion Government to amend the Military Service Act, so that all owners or practical managers of farms be exempted to carry on their work; (2) urging that in cases where they had already been drafted an extended leave be granted for this purpose and that skilled agricultural labourers be exempted up to a certain limit; (3) proposing the creation of Agricultural Advisory Boards, to the Governments of the different Provinces and the formation of an Industrial Re-organization Committee under the Department of Trade and Commerce; urging the abolition of all titles in Canada and approving the establishment of an official Farmers' organ—to which $25,000 was pledged after an estimated $1,000,000 was stated to be necessary for a daily paper or $25,000 for a weekly; urging the Government to close non-essential industries during the War.

The speeches were more or less angry and the idea of stronger

*Note.—See Section dealing with the M.S.A.

organization for the farmers was the basic one of the Convention. At a meeting of the West Middlesex farmers (Adelaide), Oct. 22, regulations were drafted for the proposed entry of the U.F.O. into politics and were sent to all its branches for discussion. Under these rules each candidate would subscribe in writing to the following conditions: That he would prosecute his candidature without regard to the convenience of other political parties or candidates; that he would advocate the objects and programme and adopt the policy of the U.F.O.; that, if elected, he would sit in Opposition and vote with his party on all questions coming within the scope of the principles of the U.F.O. On Dec. 17-18 the Association met at Toronto in annual Convention with 1,500 delegates present, reported 25,000 members in 615 branch clubs, and approved the following Resolutions:

1. Protesting against any system of training in schools which would tend to beget a spirit of militarism; and against any labour on expensive Provincial highways at a time when there was so great a demand for all kinds of commodities

2. Urging the Ontario Government to take such steps and expend such sums as might be necessary to make known to urban populations that the farmers were not profiteers and that the high cost of food was due to the increased cost of supplies, labour and other factors while the farmer as a class was not earning a fair return on investment.

3. Accepting fraternal action with the Ontario Educational Association in a thorough study of Provincial Educational problems.

4. Demanding the immediate repeal of the War-times Election Act of 1917 and also the Ontario Franchise Act of that year, the immediate calling of a Session of Parliament and the recall of the Siberian expedition.

5. Approving Soldiers' settlement on the land but declaring that Government aid should consist, first, in the removal of all disabilities and unfair discriminations under which Agriculture laboured, and only, secondarily, in loans, free land, etc.

6. Favouring the establishment of an Ontario Co-operative Dairy Company similar to that of Saskatchewan.

7. Requesting the repeal of the Daylight Saving Bill; expressing sympathy with organized Labour and inviting closer relations.

8. Accepting the political platform of the Canadian Council of Agriculture including lower Customs duties, Reciprocity and ultimate Free trade; public ownership and control of rail, water and aerial transportation, waterpowers and coal-mining; a National revenue raised by (1) Direct taxation of land values; (2) graduated personal income tax and inheritance tax, (3) Business Profits tax on a basis of actual money invested; Prohibition and abolition of the Senate.

R. H. Halbert, Melancthon, was re-elected President, E. C. Drury, Barrie, Vice-President, J. J. Morrison, Toronto, Secretary, and, with W. A. Amos, Palmerston, and H. V. Hoover, Harold, made up the Executive. The subsidiary United Farmers' Co-Operative Co., Ltd., under R. E. W. Burnaby, of Jefferson, as President, reported sales for 1918 at $1,765,378, in comparison with $226,000 in its first full year of 1915, and a dividend of 7 per cent. The Farmers' Publishing Co., Ltd., with Col. J. Z. Fraser as President, reported that the new daily paper might be started with $100,000 to $150,000 paid-up capital. The United Farm Women of Ontario was also organized on Dec. 18 as an affiliated concern with

Mrs. G. A. Brodie, Newmarket, as President, Mrs. J. M. Foote, Owen Sound, Vice-President, and Miss Emma Griesbach, Collingwood, Secretary.

Prohibition discussions in Ontario were many during the year but public opinion seemed to gradually settle down to acceptance of the policy with its probable perpetuation. The Ontario License Board fixed Mch. 30 as the date after which no liquor could be transported by Railway or Express companies from any point outside of the Province to any point in Ontario, or from one point to another within the Province; this Board, on Oct. 31, 1918, stated that the Government Receipts from fines for the year were $204,-514 and expenses of enforcement $210,828; that the Municipal receipts were $338,228 and the committments to gaol for drunkenness 2,595 compared with 3,907 in 1917 and 5,968 in 1916. On Jan. 28 the Ontario Government refused the request of a Labour deputation to modify the Ontario Temperance Act in respect to alcohol contents of beer; the Dominion Alliance on Feb. 28, by Resolution, asked the Provincial Government to prohibit under legislation the direct delivery of liquor from breweries and distilleries in the Province and to, immediately, make illegal the sale of native wines; under a measure presented by Hon. W. D. McPherson in March it was provided that in every prescription containing alcohol the physician must attach a certificate showing that the quantity prescribed was the minimum amount required by the patient while cider manufacture was forbidden without a permit, the sale of essences such as ginger severely restricted, and the sale of patent medicines with alcohol ingredients made almost impossible. On Dec. 16 Sir William Hearst again assured a Labour delegation of his intention not to change the Temperance Act.

As to the Ministers' individual work during the year space will not permit of much being said here. The Hon. W. D. McPherson, as Provincial Secretary, had the administration of the License and Temperance laws under his Department with the Provincial Board of Health, the Care of the Feeble-minded, as far as it had been undertaken, the Bureau of Municipal Affairs and the Municipal Auditor's work. During the fiscal year 13,242 persons were committed to gaols and lock-ups, the total expenditure on these institutions was $216,739, the number of insane so committed was 211 and there were 7,874 prisoners; the Hospitals' Report showed 265 institutions of this or a charitable nature with an expenditure on hospital account of $4,450,957; there were 2,638 patients cared for in 12 Sanatoria for Consumptives. Mr. McPherson, as head of the Ontario Soldiers' Aid Commission, reported at the end of 1918 that 31,286 Ontario soldiers had returned, that 96 per cent. of the returned men applying for positions were placed and that 144 branches of the Commission were located throughout the Province; the Commission also looked after the re-education of the men when discharged from Hospitals and kept a record of all returned Ontario men, their progress, condition, and dependents;

the Government Land grant was enlarged from 80 to 100 acres at this time and the Vocational training scheme extended so that returned men could study farming at the homes of experienced farmers; in Educational matters several thousand men had taken advantage of the system, with 75 persons on the teaching staff of the Vocational Schools; R. S. Crosby, a returned soldier, was appointed Assistant Secretary of the Commission and C. S. Newton, Military Secretary to the Minister.

The Hon. I. B. Lucas, Attorney General, had the Loan Corporations under his Department with a 1917 statement of $640,642,033 in Assets of which $398,651,810 were not owned beneficially; A. R. Boswell, K.C., Superintendent of Insurance, reported to him as to 2 Provincial Life, 2 Joint-stock Fire, 9 Cash Mutual Fire and 71 Purely Mutual Fire Companies—the latter in 1918 having Assets of $11,386,685 and unassessed Premium-note capital of $10,307,515; the Inspectors of Registry Offices, Division Courts and Legal Offices were under his jurisdiction together with the Friendly Societies of the Province; the Provincial Police who handled 1,991 cases in the year with 1,549 convictions reported to him as well as the Fire Marshal, whose work was backed up on Aug. 30th by the formation of the Ontario Fire Prevention League of which Arthur Hewitt, Toronto, was elected President. To this Minister a number of proposed legal reforms were presented on Feb. 21 by the Ontario Bar Association under the Presidency of W. C. Mikel.

The Hon. G. Howard Ferguson, K.C., as Minister of Lands, Forests and Mines, had charge of Northern Ontario plans for progress and development together with the Provincial interests of lumbermen and miners. To a meeting of Lumber interests on Nov. 15 he urged active steps to place before the Allied countries particulars of the forest resources of Ontario and its facilities for handling their business; meantime the cut of white and red pine was steadily declining and that of tie-timber and pulpwood greatly increasing. The Report of the Ontario Bureau of Mines for 1918, submitted by T. W. Gibson, Deputy-Minister of Mines, showed a total production of $80,308,972 compared with $53,232,311 in 1913—the chief items being Gold, $8,502,480; Silver, $17,415,882; Copper, $8,532,790; Pig-iron, $1,364,736; Nickel, $27,840,422; Cobalt, $1,615,130, or a total of $66,178,059 Metallic values while the non-metallic included Brick, $1,153,660; Cement, $1,910,839; Natural gas, $2,498,769; Salt, $1,287,039; Building stone, $869,239. As to districts the Nickel and Copper of Sudbury in 1918 totalled $35,800,000, the Silver and Cobalt of Cobalt $19,000,000, the Gold of Porcupine $8,500,000; the dividend payments of the Cobalt Mines during the year were $4,500,000, those of Porcupine $1,771,000 and Kirkland Lake about $100,000; the Provincial mining taxes paid in the year were $863,547.

Mining incidents of 1918 were the marked progress of Kirkland Lake Camp in Northern Ontario and the estimated value of $40,000,000 in the Hollinger gold ore reserves; the discoveries and min-

ing of Molybdenum and the occurrence of a radium mineral called Euxenite; the promising condition of Platinum production at Sudbury and the Gold promises of the Matachewan region near Latchford and at Otisse; Gold discoveries in the Gowganda region and developments in Nickel which included a merger of the International and Canada Copper Companies, the opening of the International's Refinery at Port Colborne and a surplus of $10,129,988 earned by this Company in the year of Mch. 31. There were, also, continued attacks upon the Government by H. H. Dewart, W. T. R. Preston and the *Toronto World,* for the export of Nickel to the United States early in the War and its alleged, but unproven, export to Germany. The Minister's annual Report for 1918 showed Crown Land sales of 51,401 acres for $39,775 and mining lands sold as 12,125 acres for $32,180 with 3,119 acres leased and a few free grants of land—including 53 to returned soldiers; the revenue of the Department was $2,964,161 and the expenditures $965,615; work as to Fire-ranging, Forest fires prevention, Crown and municipal surveys, was continued.

The Hon. F. G. Macdiarmid, Minister of Public Works and Highways and his energetic lieutenant in the latter connection—W. A. McLean—were much before the public in 1918. The Good Roads movement was carried forward with energy, though war conditions prevented any considerable construction. The new Provincial Highway of 250 miles from Toronto to the Quebec boundary and from Prescott to Ottawa was promised for after-war construction; a Deputation to the Minister on June 27 was told that the Queenston-Grimsby road, 47 miles, would be made a Provincial highway and its maintenance assumed by the Department; the Ontario and Eastern Ontario Good Roads Associations did active work in propaganda for a system of Province-planned, built and maintained highways; the Prescott-Ottawa road and that from Napanee to Kingston were taken over on Aug. 15 with 70 per cent. Government maintenance; the statement was made by authorities that Toronto lost from 50 to 100 millions of dollars of trade a year through defective road conditions; in Northern Ontario 1,500 miles of road had been reconstructed or newly built by the Government up to 1918; Sir William Hearst stated, on Sept. 11, to a large delegation that the roads radiating from Ottawa to Morrisburg, Pembroke, Kingston and Pointe Fortune would be taken over before long and to another deputation on Nov. 27 he announced that the Government had decided upon the route of the extended Toronto-Hamilton Highway westward, by way of Hamilton, Brantford, Woodstock, Ingersoll and London and intended to proceed as rapidly as possible with construction.

To Mr. Macdiarmid the Trades and Labour Branch under Dr. W. A. Riddell and the T. and N.O. Railway Commission—J. L. Englehart, G. W. Lee and Hon. R. F. Preston, Commissioners—reported together with the Game and Fisheries Department. There was in 1916 a Fish catch of 36 million and in 1917 42 million

pounds with licenses numbering 2,251 and 2,220 respectively; in 1918 the policy of securing fish from the waters of the Province, and placing them at fixed and cheaper prices on the tables of the consumers was successfully developed and embraced production, distribution, and Government control. Distribution was very carefully organized, prices kept down and orders multiplied until the Department could hardly meet the demand—with an average of 5 cents a pound saved to the consumer. Meanwhile, $125,000 had been voted during the Session for carrying on the business and the net profit for the year ending Oct. 31 was $29,000 after warehouses, storage, and equipment had been provided. The Temiskaming and Northern Ontario Railway reported for Oct. 31, 1918, a mileage of 459, operating revenues of $2,812,310 and expenses $2,390,202 with net earnings of $429,419. The Minister's Public Works' report through R. P. Fairbairn, Deputy-Minister, referred to the war retardation of activities in this connection and stated that the chief building operations of 1917-18 were carried on at Whitby, Orillia, Burwash and Kemptville—the total expenditures for year ending Oct. 31, 1918, being $963,277 on Public Works, $267,577 on Colonization and Mining roads, $83,606 on Highways, and $139,112 on aid to Railways with a grand total since Confederation, in this latter connection, of $50,154,426.

General incidents of the year included the valuable Reports of Hon. F. E. Hodgins, Special Commissioner, upon Venereal Diseases with legislative recommendations which were largely acted upon by the Government; the Report of the same Judge upon Medical Education in Ontario with important conclusions for Government consideration as to Christian Science, Chiropractors, Osteopaths, etc.; the Workmen's Compensation Board Report (Samuel Price, A. W. Wright, G, A, Kingston, Commissioners) which showed accidents totalling 47,848 in 1918 and compensation awarded of $3,514,648 covering large industries with over 15,000 employees and a pay-roll of $300,000,000; the 1st Report of J. M. McCutcheon, Civil Service Commissioner, with 4,000 Civil servants under his jurisdiction and a recommendation of standardized salaries and a new retirement system; the 57th annual Convention in Toronto on Apr. 2-4 of the Ontario Educational Association, a series of important addresses, and the election of Rev. James Buchanan, M.A., as President, Henry Ward as Treasurer, and R. W. Doan as Secretary; the Convention of the Ontario Library Association on Apr. 1-2 in Toronto with Miss M. J. L. Black in the chair and election of F. P. Gavin, B.A., Windsor, as President; the organization of the Associated Boards of Trade for the Grand River Valley at Brantford on Oct. 4 with objects of local development and J. H. Hancock, Galt, elected as President; the meeting at London, on Nov. 29, of the United Boards of Trade of Western Ontario with Resolutions in favour of a trans-Provincial Highway expansion, of export trade, improved Labour-industry relations and the election of John Bridge, London, as President; the creation of a

new party at Toronto called the United Women Voters with Mrs. L. A. Hamilton as President. The following appointments were made during the year:

Registrar of Deeds, North Grey	George P. Creighton	Owen Sound
3rd Police Magistrate	Peter V. Ellis	Toronto
4th Police Magistrate	Jacon Cohen	Toronto
Police Magistrate	William Laidlaw	Durham
Police Magistrate	James A. Page	Brockville
Police Magistrate	William Hamilton	Uxbridge
Police Magistrate	William H. Floyd	Cobourg
Civil Service Commissioner	J. M. McCutcheon	Toronto
Deputy Police Magistrate	Phillip H. Bartlett	London
Registrar of Deeds, Algoma	Henry J. Moorhouse	Sault Ste. Marie
Police Magistrate	Charles A. Reid	Goderich
Police Magistrate	John E. Askwith	Ottawa
Deputy Police Magistrate	William J. Kidd	Ottawa
Police Magistrate	William R. Butcher	St. Mary's
Police Magistrate	Alex. H. M. Graydon	London
Sheriff of Lambton	Albert J. Johnston	Sarnia
Registrar of Deeds, South Grey	Arthur H. Jackson	Durham
Registrar of Deeds, Simcoe	Robert J. Sanderson	Simcoe
Sheriff of Algoma	William Carney	Sault Ste. Marie

Government and Conditions in Quebec during 1918.

Sir Lomer Gouin continued in his careful yet popular control of Quebec affairs during this year. It was a progressive Government in details and policy but without much knowledge of this fact in the other Provinces; in finance, agriculture, roads, the development of water-powers, and such social reforms or changes as Temperance, it went quietly ahead with sometimes greater obstacles to meet than was the case elsewhere. Such a Conservative paper as the Ottawa *Journal-Press* declared on Feb. 7th, 1918, that: "There is something of virility and progressivism about the present Government of Quebec that compels admiration. The Administration of Sir Lomer Gouin has wrought a revolution in Quebec, and students of political economy in other Provinces might profitably turn their attention to what his administration is achieving."

Personally, he opposed Union Government and stood by his chief, Sir Wilfrid Laurier, but not offensively or aggresively and in his attitude undoubtedly represented the opinion of the Province; he frequently was criticized by Mr. Bourassa and the Nationalists but did not lose popularity from that fact or from the vigourous language of Mayor Martin of Montreal during the latter's 1918 campaign for re-election; his son, Lieut. Paul Gouin, joined the Tank Battalion and left for England during the spring and his Government contributed to various Patriotic Funds of 1918. His reorganization of the Civic government of Montreal was a difficult task apparently well done. In a New Year message of Sir Pierre Le Blanc, Lieut.-Governor, to H.M. the King, there were words of devotion on the part of the Government and people to the Throne and of good-will to all His Majesty's subjects, a declaration that Quebec was in the War to the end and a prayer that the

War might be won within the year. Similar sentiments were expressed in an address presented by Sir Lomer Gouin to Prince Arthur of Connaught during the latter's visit to Quebec in August; at the November Inter-Provincial Conference the Quebec Premier stood out conspicuously for his personal influence and *prestige*.

The financial element in the Gouin Government had always been a strong one and the Hon. W. G. Mitchell, Provincial Treasurer since Nov. 11th, 1914, had another successful year. His Budget speech of Jan. 10th showed an ordinary revenue of $10,441,113 for the year ending June 30th, 1917, or $1,218,266 more than the original estimate; the ordinary expenditures were $9,847,173 or $837,000 more than expected; the Surplus was $593,940. The Funded Debt was $39,462,996 or an increase in the year of $1,116,868 and the unfunded Debt $2,658,694 against which there were Assets including $938,764 cash in Banks, $1,618,317 in the St. Maurice and St. Francis Rivers' storage, $3,631,647 advanced re Montreal Gaol and $1,168,026 as Quebec's share in the Dominion Common School Fund or a total, with other items, of $7,998,616. During his speech Mr. Mitchell declared the affairs of the Province to be in excellent condition and "stronger financially than at any time in its history"—a result achieved by the "greatest prudence, practice of economy and careful administration."

He defended at length the attitude of the Government as to the Federal policy of taking control over Provincial Bond issues for War reasons of an alleged imperative nature and approved the Quebec Order-in-Council at the end of 1917 declaring such Dominion regulation to be "illegal, unconstitutional and in nowise binding upon this Province." He quoted the opinion of the Attorney-General (Sir Lomer Gouin) that the proposed Regulations were *ultra vires* and a professional opinion from two eminent lawyers—Eugene Lafleur, K.C., and Aimé Geoffrion, K.C., supporting this contention. He argued that the position taken was perfectly loyal and detailed the contributions of the Government of the Province to War purposes to date as totalling $1,712,084 together with $1,800,000 subscribed to War Loans and $94,157,000 subscribed to the last Victory Loan by the people of the Province. He concluded with this plea: "We have unbounded resources in our Province; we have a strong, virile, energetic people, and if we all work together in unity, striving to keep our Province in its place among the Provinces of Confederation, our prosperity, as well as that of this broad Dominion of ours, will be assured."

When the figures for the year of June 30th, 1918, were issued it was found that estimates had, again, been far exceeded and that the ordinary revenue was $13,806,390, the expenditures $11,671,832 and the Surplus $2,134,558. Out of this $625,000 was paid to the Canadian Patriotic Fund as the final payment on a $1,000,000 vote of 1917; the Funded Debt stood at $39,827,769 with a Sinking Fund of $1,812,155. The chief items of revenue were $2,026,028 from Dominion subsidies, $1,610,109 from Lands and Forests,

$1,375,939 from Licenses, $1,289,038 from Corporation Taxes, $4,736,547 from Succession Duties, $662,919 from motor vehicles; those of expenditure included $1,983,990 upon Public Debt, $1,216,341 upon Administration of Justice, $1,581,454 upon Education, $1,057,240 upon Public Works, $724,244 upon Agriculture, $622,858 upon Roads, $1,274,500 upon Charities, Asylums and Reformatories. There was, also, a capital expenditure under the Good Roads Act of $1,110,911.

Addressing the Canadian Manufacturers at their Montreal banquet of June 13, Mr. Mitchell stated that the Quebec Debt was $14.09 per capita compared with $15.63 when the Gouin Government took office in 1905; that surpluses of $6,000,000 had been accumulated during that period and $15,299,000 spent upon Education; that, including New Quebec or the Ungava region, the Province was the largest in Canada, or twice the size of Ontario, and contained one-fifth of the whole area of the Dominion. A new Department of Municipal Affairs was created by legislation early in the year and placed in charge of Mr. Mitchell, as Minister, with Oscar Morin, K.C., of Quebec, appointed on Apr. 4th as Deputy-Minister. Its object was to control Civic finance, the issue of Municipal loans, obligations as to Sinking Funds and the financial business of Municipalities generally; the Bill creating it dealt in detail with the Municipal borrowing of money and limitations in terms and application, in time and amount and payments; it authorized the Minister to audit all the books of the Municipalities including Montreal.

The Hon. J. E. Caron was an energetic Minister of Agriculture. He instituted during the year a Greater Production service, in charge of A. T. Charron as a new member of his Department, with the idea of increasing the area under cultivation for grain, beans and peas, and providing farmers with necessary help for farm work; he put special men in charge of the mobilization of labour for this purpose and worked in co-operation with the Canada Food Board and the Soldiers of the Soil movement; he took an active part in fighting Conscription and the cancellation of exemptions on the ground of need for men on the farms and because, as, he told the Ottawa Committee on Agriculture, (Jan. 15th), "You cannot have militarism and production at the same time," because, also, the places of the City workmen, enrolled as soldiers, were taken ultimately by men from the farms; he declared to a Delegation on Jan. 24th that if it was fair to take men for the Army at this juncture it was equally so to conscript them for production and, a little later estimated the Provincial shortage in this respect at 10,000; he led a large Delegation of agriculturists and Mayors of Municipalities to Ottawa in May to share in the farmers' protest against Federal removal of their sons' exemption.

In his speech on May 14th he outlined the increase of 1917 wheat production in Quebec which he placed at 500 per cent., and stated that this year an increase of from 20 to 25 per cent.

was expected but would be lost if the new Order was enforced. Road work, which had been developed on an elaborate scale would suffer, and some 200 Cheese and Butter makers would be taken by the draft while the small flour mills of the Province would be compelled to close. He estimated the reduction in production of Quebec farms, because of this policy, at $40,000,000: "Our country is too young, our territory too large, and our population too small to be drained any more." A little later his Department obtained special rates for townspeople going out to work on country farms and every effort was made to promote the agricultural production which he had feared would suffer as well as of market gardens and city plots; the result was a largely increased acreage and greater intensive production in various directions with actual increases of 32 per cent. in wheat, 14 in barley, 29 in rye, 62 in peas, 99 in beans, 59 in mixed grains, 17 in potatoes, 53 in hay and 100 per cent. in garden truck. These were Provincial figures and exact increases, according to the Dominion Bureau of Statistics, were as follows:

Product	Area in Acres 1917	Area in Acres 1918	Total Yield 1917 bus.	Total Yield 1918 bus.	Values 1917	Values 1918
Spring wheat ...	277,400	365,670	3,883,600	6,308,000	$9,553,700	$14,382,000
Oats	1,492,700	1,932,720	32,466,200	52,667,000	29,868,900	52,667,000
Barley	165,600	189,202	3,063,600	4,551,000	4,840,500	7,373,000
Rye	22,450	29,063	376,000	472,000	669,300	991,000
Peas	66,457	107,368	797,500	450,000	3,596,700	1,863,000
Beans	55,157	109,803	827,400	1,867,000	6,428,900	10,679,000
Buckwheat	163,577	227,018	2,699,900	4,711,000	4,669,300	8,338,000
Mixed grains ...	122,819	194,228	2,609,000	5,246,000	3,471,200	7,659,000
Flax	5,700	7,357	47,000	83,000	158,400	310,000
Corn for husking	74,339	54,690	1,802,700	1,199,000	4,056,000	2,518,000
Potatoes	226,917	264,871	18,158,000	38,936,000	25,008,000	38,157,000
Turnips, Mangolds	70,192	95,526	15,759,000	28,228,000	9,298,800	14,960,800
			tons	tons		
Hay and clover .	2,961,983	4,533,266	5,065,000	6,799,900	48,523,000	107,098,400
Fodder corn ...	69,030	86,358	586,800	626,100	2,934,000	4,645,700
Alfalfa	3,818	4,144	8,600	9,300	72,000	109,000

Mr. Caron did his utmost to strengthen the 86 Agricultural Societies of 1917 with their 25,000 members and the 736 Farmers' Clubs with their 72,000 members and claimed that they made a powerful organization which only required the force of energy and unity to become a great one; to their support the Department contributed largely, to Agricultural development in general it gave $764,249 in 1917-18 besides $271,113 from the Dominion Government for Agricultural Education. An active campaign for increased Live-stock production was also carried on with an increase in 1918 of 540,641 cattle, 109,922 sheep, 285,168 swine and 117,535 horses. The quality of hogs was improved and the farmers encouraged to raise heavy draught horses.

Another Minister who had a Department which made history in these years was the Hon. J. A. Tessier, Minister of Roads. He started in 1918 with a big programme of construction—including completion of the Montreal-Quebec Highway, the building of a Lambert-Lévis road paralleling the other on the north side of the St. Lawrence, the survey of a South Shore road from Lévis to

Fraserville and early work upon a road from Beauceville to Sherbrooke with a tourist and colonization highway from Montreal to Ste. Agathe. It was generally believed in Quebec at this time that the value of farm lands had been largely increased by the Good Roads policy of the Government, which was started in 1913, and the farmers were convinced of the value of easy access to local markets. The Provincial Treasurer estimated that the increase in value where Provincial roads were improved ran from 35 to 50 per cent. Between 1911 and 1917, inclusive, the Department had spent $18,827,830 upon highways out of the permanent loans of $20,000,000 authorized by the Legislature for this development and had constructed 2,294 miles of macadamized and 1,460 miles of gravel roads.

The Minister of Lands and Forests in 1918 was Hon. L. J. Allard who, in different Departments, had been a member of the Government since 1905 and who died suddenly on Sept. 25th of this year. His administration was concerned, indirectly, with 130,000,000 acres of forest lands uncut and, directly, with a Crown area of which in 1917 the sub-divided and disposable portion was only 7,297,471 acres. Resources in Pulp-wood were very large—an estimated 300,000,000 cords of spruce and balsam in the Province which, at this time, furnished half of Canada's production. The Department's policy was prohibition of export from Crown lands and under this enactment of 1910 5,085,780 cords had been cut on private lands and exported while the conversion of pulp-wood into pulp or paper in Provincial mills had totalled 4,200,700 cords and trebled in yearly amount. The Provincial Secretary, Hon. Jéremie L. Décarie, had the Bureau of Statistics under his jurisdiction and its *Statistical Year-Book,* edited by G. E. Marquis, dealt in most able style with the Provincial interests of 1918 in a 5th annual issue. A few figures culled from this volume showed the population to be 2,309,427 (1916) of which 1,157,183 was rural in place of residence and 1,724,683 (1911) Roman Catholic in religion while the average birth-rate was 173 per 10,000 compared with 128 in Ontario and the natural growth between 1911-15 was 20·6 per cent. against 11 per cent. in Ontario during 1910-14.

Immigration dropped at this time, the values of Agricultural products increased between 1914 and 1917 by $54,000,000, the wood cut in Forests during 1917 totalled 1,374,499,359 feet of saw-logs with a value of $17,270,908 and in other Forest products $18,314,287; the value of paper made in the Province (1917) was $27,648,373 and the total product of the pulp and paper industry $44,796,366; the yield of the Fisheries was $2,991,624 in 1917 and the value of Mineral products $16,266,480—an increase of $3,000,000 with Asbestos, Copper, Mica and Cement as the chief items; the industrial product of the Province (1915) was $346,371,813 with $41,528,770 additional specified as War trade and comparing as a total with $350,901,656 in 1910; the Railways in the Province had a

mileage of 4,441 of which 229 miles were operated by electricity and the registered automobiles numbered 21,213 compared with 7,413 in 1914; on the great Canal systems 4,040,797 tons were transported in 1917 and the tonnage of vessels entering at Montreal and Quebec in the 1917 season was 2,484,693 and, clearing, 2,174,409.

The Session of the 1918 Legislature was an important one which really began on Dec. 4th, 1917, and was then opened by Sir P. E. LeBlanc, Lieut.-Governor, with a Speech from the Throne which first referred to the War, the heroic work of the Allies in general and Canadian soldiers in particular and laid stress upon the necessity of increased food production to supply the Allied countries: "My Government realized this necessity and, last spring, it asked the farmers of this Province to increase their production, procured them seed grain and established an Employment Bureau to meet the demands for farm labourers." The result was stated to have been admirable and a new appeal would be made for the 1918 crop acreage. The Government's rural highway policy was dealt with and the completion of a road between Three Rivers and Grand Mére promised for the coming summer; reference was also made to the building of the dams at the head of the St. Maurice and St. Francis Rivers as nearing completion and to the value of this work in storing and regulating the flow of the waters with a great increase of power for industrial purposes; excellent results were said to have been attained from the Government Nursery of Forest trees at Berthier with 500,000 young trees recently distributed to sections swept by fire; further reforestation was promised and extension of the existing efficient system of supervision, within Departmental timber limits, to the entire forest domain; colonization in Abitibi and the Matapedia Valley would be energetically pressed and new roads constructed, with free grants of land to be given soldiers upon their return; a Technical School would be established at Three Rivers. The Address was moved by Adrien Beaudry of Verchéres and seconded by W. R. Oliver of Brome. The Hon. Antonin Galipeault acted as Speaker. In the Legislative Council the Hon. Adélard Turgeon was Speaker and the Address moved by Hon. P. J. Paradis and Hon. W. F. Vilas. There was little discussion and no division in either House.

The most important debate of the Session was upon a motion presented by J. N. Francoeur (Lib.) of Lotbiniére County on Jan. 17th in the following terms: "That this House is of opinion that the Province of Quebec would be disposed to accept the breaking of the Confederation pact of 1867 if, in the other Provinces, it is believed she is an obstacle to the Union, progress and development of Canada." The resolution was an outgrowth of anti-Conscription feeling and Election antagonisms of 1917, of the Nationalist propaganda of Mr. Bourassa and the Bi-lingual controversy in Ontario; it was accompanied by a proposed but still-born Resolution in the Quebec City Council favouring a new Confederation of Quebec and the Maritime Provinces; it was followed

by some severe criticism of the suggestion by Sir George Garneau, Quebec, and Ferdinand Roy, K.C., Montreal, with the presentation by Hon. L. O. David of a series of reasons for French-Canadian discontents;* it was characterized, as a debate, by able speeches and, in the case of Sir Lomer Gouin, by one of exceptional merit.

Mr. Francoeur described the condition of the public mind as restless and dissatisfied and the motion as a protest against "the campaign of insult, falsehood and calumny directed against this Province." He read a series of quotations from the *Orange Sentinel,* the Kingston *Standard,* the Toronto *News,* the Winnipeg *Telegram,* the Toronto *World,* and the Winnipeg *Free Press,* to prove his argument and added extracts from speeches by H. C. Hocken, Isaac Campbell, K.C., and Hon. N. W. Rowell; he combined a number of heated Election comments to prove "a common rage and fury which united the enemies of Quebec everywhere." His conclusion after a long review of the alleged situation was simple: "We believe the time has come, either to stop these sterile quarrels or to accept their logical consequences. To the detractors of Quebec this Resolution means that if the Province is in the way of Confederation, it is ready to talk the thing over and take its responsibilities."

Arthur Sauvé, Leader of the Conservative Opposition of four or five, followed and declared the motion inopportune because it could have no practical result and dangerous because "it might set loose a new storm of prejudice and denunciation." He pointed out that the race quarrels since Confederation had not been because the rights of the Province were ignored, but because of the School question in the other Provinces: "The rights guaranteed to our Province by the Constitution have never been attacked. Why, then, talk separation?" As to the rest "separation is against our national interests and also against our economic interests, because, if separated, we would be subject to heavy obligations which would prevent our development." He declared himself against Conscription, which he regarded as the chief cause of trouble, and was followed in a strong speech by L. A. David (Lib.) who described the failure of Confederation as due to a difference in racial mentality and to an Imperialism which was no better than Pan-Germanism. He believed Canada had the right to look forward to the most perfect autonomy and to a future "when Great Britain would pride herself on having given the country the rank of a free and independent nation." The isolation involved in the motion he considered impossible as did all the other speakers excepting Hector Laferté, the seconder.

T. D. Bouchard (Lib.) deprecated the slander of other Provinces as being just as bad as their slandering of Quebec. The debate was resumed on the 22nd and shared in by C. E. Gault (Cons.), who declared separation impossible because it involved

*Note.—Republished in Toronto *Star* of Jan. 10th, 1918.

payment of a Debt interest of $15,000,000 a year; Auguste Tessier, who declared that the fanatics in other Provinces could not prevent the French nationality from continuing to live, from spreading and extending its influence in strength and number; L. A. Cannon, who denounced Nationalism and its results; Louis Létourneau who supported the motion. On the 23rd Sir Lomer spoke in such a lucid and comprehensive manner as to practically close the discussion and compel Mr. Francoeur to withdraw his motion. There was to him only one way to govern this country and that was the Federal way. So far from being a failure, Confederation had outstripped the hopes of its authors; the Province of Quebec had never been molested in the administration of her civil laws; the French-Canadian people in other Provinces were better safeguarded under the present system than they would be otherwise. Mr. Francoeur, a little later, presented a Bill for the abolition of appeals to the Judicial Committee in Civil cases but the Legislature would only consent to raising the amount subject to appeal from $5,000 to $12,000.

Succeeding legislation included a Bill granting to Mr. Sauvé, Opposition Leader, a special indemnity of $4,000 a year; a measure creating seven additional Superior Court Judges of whom five were to sit at Montreal and two at Quebec; authorization of a grant of $100,000 to the Halifax disaster victims; three Bills dealing with the new Department of Municipal Affairs and measures elaborating still further the Government's Road policy—one of them giving Mr. Tessier, as Minister of Highways, power to compel a Municipality to construct or maintain within its boundaries any road that the Minister construed to be a "main communication road," or a road necessary for the traffic of the district or its through traffic; a measure presented by Mr. Décarie providing for a General Medical Superintendent for all hospitals in the Province where insane patients were kept and for the standardization of such institutions with uniform policy and direction and increased votes for maintenance; the Hon. L. A. Taschereau's Bill for the better protection of public buildings, and especially churches, against fire, with amendments to the Compensation Act increasing amounts payable to injured workmen and providing one day of rest a week to employees of hotels and cafés.

In the Motor Vehicles Act provision was added for a license fee payable by those learning to operate an automobile; another measure took over the South Shore Turnpike, the last of importance in the Province, and abolished tolls on the North End of the Island, in St. Laurent and Montreal; the three National Parks—Gaspé, Laurentides and Mont Tremblant—were placed under control of the Minister of Colonization, Mines and Fisheries in respect to fish and game rights; several measures defined the respective rights of Government and property-owners on certain streams, facilitated the driving of logs and pulpwood in certain rivers, or increased the amounts to be expended by the Quebec Streams

Commission in connection with water storage. Acts were passed as to the formation and regulation and encouragement of Agricultural Societies; a Bill presented by Hon. W. G. Mitchell allowed Companies with Dominion incorporation to hold real estate in Quebec by securing a permit from the Provincial Treasurer; the Quebec Medical Act was amended to decrease the number of Governors on the Board and to further define possible infractions and penalties; by another measure the Civil Engineers were formed into a close corporation. In other enactments it was made an offence to use information obtained by listening on Telephone lines, the Longue Pointe parish troubles were settled by $50,000 being paid for the sale of land to soldiers and an increase in the school taxes of Montreal was authorized; the much-discussed Maisonneuve measure was dropped when the annexation of that suburb to Montreal was determined upon.

The two chief items of legislation, however, were the Prohibition and Montreal Bills. The latter measure revolutionized the government of Canada's commercial metropolis; it was presented and carried by Sir Lomer Gouin, personally, with a view to solving many existing complications and chaotic Civic finances; it established Commission government pure and simple. The main features were as follows: (1) a Council of 20 elected from 20 wards, with a Mayor elected at large; (2) the functions of the Council to be purely legislative and the duties of administration to be vested in a Commission of five composed of the City Attorney (Chairman), the City Comptroller and the City Treasurer, as permanent members, with two nominees of the Provincial Government to hold office for 4 years; (3) the three Civic employees on the Commission to be dismissed only on a two-thirds vote of the City Council ratified by the Government; (4) Reports made by the Commission to the City Council to be rejected only by a vote of from two-thirds to three-quarters of the Council.

This legislation was the opposite in effect to that desired by Mayor Martin and his Council; they had a Bill before the Legislature which would, if approved, give the Mayor absolute control over revenues, expenditures and Civic appointments while creating a Commission whose authority would have been more or less nominal. As finally developed the Mayor's powers were considerably reduced and this Mr. Martin appreciated when he described the Bill (Feb. 5th) as "arbitrary, autocratic, German." The permanent salary of the Chairman was fixed at $12,000 and of the other members at $7,500; the existing Board of Control was dissolved and the law was to come into force on Apr. 2nd; the Tramways franchise was extended to 1953 and provision made for a permanent Commission; the City of Maisonneuve was annexed to Montreal and provision made for Municipal taxation of property, and tenants, and utility corporations with a special tax on bachelors and increases in various business license fees.

Under the terms of the Prohibition Bill introduced by Hon.

Walter Mitchell on Jan. 30th and supported strongly by the Prime Minister, who made it a matter of confidence in his Government, it provided for total abolition of the Liquor traffic on May 1st, 1919; suspended the current statute under which the Bar was to disappear on May 1st, 1918 and about 250 grocers and hotelkeepers lose their licenses; provided for Temperance hotels and license fees for such hotels; permitted wines for sacramental purposes and alcohol for medicinal, manufacturing or mechanical purposes. J. N. Francoeur, P. Bercovitch, A. M. Tessier and L. A. David spoke against the measure and the fight turned on beer and light wine licenses; the Bill, however, passed unanimously on its 2nd reading. Thus the last Province of Canada came into line on this subject while the City of Quebec anticipated the year's limit by shutting off licenses on May 1st, 1918. Other legislation imposed taxes on Amusement tickets and raised the scale of Succession duties while enacting that every Insurance beneficiary should be personally liable for the taxes due in respect to his share in any succession. The Legislature was prorogued on Feb. 9th.

Quebec's War record continued a mixed one during 1918 with lights and shadows which public opinion in other Provinces was inclined to see through a glass darkly. Following the wild extravagance of the Quebec City anti-conscription riots—which evoked infinitely more attention than other riots in Toronto, Halifax and Winnipeg—and were really of a more violent character, reaction set in; the Church intervened and urged the maintenance of law and order and acceptance of the M.S.A.; Mgr. Mathieu, Archibishop of Regina, came from the West in May to his old home at Laval and exercised a high measure of conciliatory statecraft which won him the congratulations of *The Tablet*; the University and the better-class youth of the Province responded with a rush to the colours; such names as Dorion, Garneau, Gouin, Cimon, Casgrain, Beaudry, led the van and, slowly but surely, Quebec took its place in the column of military activity and reinforcement. In the Victory Loan subscriptions of November Quebec as a Province, outside of Montreal, was the only section of Canada which doubled upon its objective—taking $32,324,000 worth of bonds against the $16,000,000 asked for—while Montreal City and Island, with an objective of $80,000,000 subscribed to $140,000,000.

Up to this the Province had contributed ten Generals to the war—Sir H. Burstall, Sir R. Turner, Sir D. Watson, A. C. Joly de Lotbiniére, Sir C. M. Dobell, H. G. Joly de Lotbinière, J. P. Landry, F. M. Gaudet, T. L. Tremblay and A. E. Swift—and in September the last words of Lieut. R. Lemieux "Tell them I have done my duty," sent a thrill through the Province; the people gave $247,000 to the Knights of Columbus Hut Fund and the Government $25,000 to the Y.M.C.A. Fund; the Island of Montreal cultivated 20,000 garden lots with $1,000,000 worth of vegetables produced; *La Patrie* joined with *Le Soliel* in denouncing certain Nationalist vagaries

while *La Presse* rejected all idea of Peace without victory; to the Navy League and Red Cross Fund of November Montreal contributed $1,293,000 and the Provincial Government $100,000; the annual Report of the Quebec Province Red Cross branch showed contributions to Oct. 31st, 1918, of 1,112,682 articles sent Overseas, with much activity amongst 51 branches outside of Montreal; to the Greater Production call of 1918 Quebec farmers responded generously with an increased production of 22,000,000 bushels of oats and 9,000,000 bushels of other grains while the yield of potatoes grew from 18 to 33 million bushels and Live-stock increased by over 1,000,000 in number. This was a bit of practical patriotism as to which the rest of the Dominion knew little. In the work of the 1918 Victory Loan French Canadians took an active part with, in Montreal, G. Beausoleil, E. Champagne, N. Tetrault, E. J. L'Esperance and J. C. Gagne amongst the Team captains, and letters of strong support from the Bishops of Three Rivers and Mont Laurier and another from Cardinal Bégin urging popular action. Amongst the large subscriptions were the following:

A. and J. E. Berthiaume	$54,000	Joseph Gosselin, Lévis	25,000
Eugene Berthiaume	25,000	Pontiac County	100,000
Hon. R. Dandurand	10,000	City of Lachine	63,000
Perrin Fréres et Cie	20,000	Revilion Fréres Co.	12,000
Lamontagne Ltd.	10,000	Ursuline Convent, Quebec	10,000
Wilfrid Viau	76,000	E. C. Taugnay, Quebec	50,000
A. Racine Co., Ltd.	64,000	E. P. Laviolette	20,000
L. G. Beaubien & Co.	50,000	Hudon & Orsali, Ltd.	50,000
Hon. F. L. Beique	50,000	G. and E. Couture, Lévis	30,000
P. R. Du Tremblay, M.P.	10,000	Tetreault Shoe Mfg. Co.	150,000
La Cie du Pulpe de Chicoutimi.	25,000	Joseph Davoust	50,000
Rolland Paper Co.	25,000	R. J. Mercier Co., Ltd.	35,000
J. E. Livernois, Quebec	10,000	Corporation of Joliette	15,000
A. Belanger, Montmagny	10,000	Charles Chaput	60,000
La Societé des Artisans	50,000	L. Chaput Fils et Cie	40,000
M. and L. H. Pinsonnault	50,000	A. and H. Racine	50,000

There was another side to the record. Mr. Bourassa in *Le Devoir* continued the presentation of his anti-British, anti-Canadian doctrines. He started on Jan. 10th by the following reference to the British war-ideal of protecting little nations: "Mr. Lloyd George's pronouncement is the laying down of a principle of independence which innumerable little nations subject to, or conquered by, Britain will not fail to invoke in every part of the world, sooner or later, to their own profit!" He demanded peace by negotiation and on the 31st declared that "if the Governments do not hasten to conclude Peace the starving people will revolt" and described the German and British Allies as "equally blinded, equally brutal, equally selfish, if not equally responsible." On Feb. 22nd he described Confederation as "in fact prejudicial to the French-Canadians;" he declared on Mch. 26th that the anti-Conscriptionist members of Parliament should refuse to vote any more money for the War; his denunciation of British and general diplomacy at this time included such language as "calculated infamies" and "sordid rapacities" and "the people's blood as the discount money."

Such a continuous stream of vituperative argument presented to men who knew nothing of Europe and little of the Empire and little of the War, helped to bring on the April riots in Quebec; it was followed by Mr. Bourassa's lieutenant in Quebec City (Armand Lavergne, K.C.,) advising clients (Montreal *Star,* July 12th) who had been exempted in the ordinary course, and now received orders from the Registrar to report for military service, to disregard these orders. It evoked the energetic statement of the Toronto *Globe* on Apr. 5th that: "Mr. Bourassa is not only an open enemy of the Military Service Act, but he is an enemy of the British Empire. It is from *Le Devoir* that the people of Quebec have absorbed the idea that this is not Canada's War." On Apr. 9th the Quebec branch of the G.W.V.A. demanded the dismissal of Lieut.-Colonel Lavergne from the Quebec Militia and on the 11th the latter coolly told a Court of Inquiry into the Quebec riots that "I never thought the people would have the 'punch' to do it." On Nov. 18th La Patrie offered proof of open rejoicing in *Le Devoir* offices on Apr. 16th when German victories were reaching a climax.

Hence some, at least, of the shadows in Quebec's War record. There were, also, such incidents as the continuous effort of Rev. Abbé L. Groulx, a Professor at Laval, to intensify the feeling which existed toward Ontario in its School regulation matter and which ranked with the efforts of some Orange leaders in that Province against Quebec; there was the claim of *La Presse* as to what it termed the Hearst Government's efforts "to strangle all French-Canadian colonization in Northern Ontario" and which it characterized (Jan. 22nd) as a "stupid and bold persecution"; there were the military difficulties as to recruiting, registration, exemption, etc., which, however, were exaggerated and not by any means confined to Quebec; there were charges widely circulated as to an alleged attack on a troop-train passing through Quebec; there was a natural resentment frequently expressed regarding the anti-Quebec 1917 utterances—inevitable to political campaigns in Canada—and which were again evoked by the April riots and the opposition to the M.S.A. which prevailed for a time; there was the Resolution of a St. Jean Baptiste Society Convention at Montreal on Mch. 16th, congratulating compatriots in Ontario "who had learned to oppose a persistent resistance to iniquitous laws, designed to silence on the lips of school children the speech of their ancestors"—with similar words to the French-Canadians of the West. These and other incidents or conditions were not fundamental but as between communities of different race and language and creed they were very often effective in promoting misunderstanding.

There were many efforts at concord and in these the Church led. *L'Action Catholique,* the Church organ of Quebec City, while believing Conscription an error, urged the people (Jan. 7th) to submit and "be cheerful"; *La Presse* from the political side (Jan.

7th) urged "a courageous and worthy submission to the law"; throughout the churches of the Province on Jan. 6th Cardinal Bégin, in a *Mandement* upon the subject, called for fervent prayers "to bring Divine protection on the Armies of the Empire and her Allies, and to implore the mercy of God in favour of that peace which is so much desired"; on Mch. 24th special services and prayers for victory were again held throughout Quebec in response to an exhortation from the Cardinal; lists were published in April of 185 members of religious orders from the Province who were on active service and 28 of whom had been decorated for bravery; on June 7th another special prayer for peace and victory was ordered. At the same time it was claimed that the non-exemption of the student class in the M.S.A. would take 600 young men from the Colleges and 150 future priests from their Church studies. Let this subject close with a summary of what Quebec was supposed to want at this stage, as given by *La Presse* on Feb. 20th, in reply to a query by Frank Wise of Toronto:

1. That the French language, recognized as an official language in the Canadian Parliament should be similarly treated in all parts of the country, because it has rights acquired in virtue of treaties and of the Constitution.
2. That the Ontario Government, in place of making Regulations to ostracize the French language and to prevent by the submission of a shameful oath, the French-Canadians from establishing themselves in its Province, should apply itself to treat our people as brothers:—that is to say, as the Anglo-Protestant minority of Quebec is treated by the French.
3. That the Roman Catholic religion should be more respected by the Ontario Press.
4. That the treatment of minorities should be based henceforth on justice, fraternity and the intentions of the Fathers of Confederation, rather than on the very letter of the law.
5. That the other races should not seek a quarrel with us for any cause, or no cause; that they should cease to discredit us abroad, because in doing so, they discredit the whole of Canada.
6. That there should be an end of the belief that National unity can be secured only by unity of language; that the law of the strongest should not longer be enforced against us.
7. That a good understanding between the two great races which predominate in Canada should be established on a knowledge of the two official languages.

Educational conditions in Quebec at this period were progressive though some of the conditions were difficult to handle. The annual Report of Cyrille F. Délage, Superintendent of Public Instruction, for the year ending June 30th, 1918, mentioned the work of the school-boys in the Soldiers of the Soil movement, as affecting the total attendance; stated the number of school municipalities in the Province as 1,724 or an increase of 26 and the building or repairing of 254 school-houses at a cost of $2,488,621; pointed to the fact that French and English were taught in all the schools in mixed centres and that School Commissions were more and more "realizing the fact that giving children of the minority an opportunity of learning their mother-tongue at school is a matter of elementary justice." The total value of property liable to

taxation for school purposes in 1917 was put at $1,346,076,728, the Assets of the school corporations at $45, 318, 846 and the Liabilities $30,810,657, the Receipts in the school-year were $16,021,048 of which $612,007 came from the Government. The School statistics of the year ending June 30th, 1917, were as follows:

Roman Catholic Schools	Number of Schools	Male Teachers	Female Teachers	Boys	Girls	Total	Average Attendance	Average Attendance; %
Elementary Schools	5,367	192	6,522	101,770	109,796	211,566	162,084	76·61
Model Schools ...	688	727	2,406	52,036	50,592	102,628	83,322	81·19
Academies	330	1,193	2,514	40,587	50,133	90,720	77,748	85·70
Normal Schools ..	13	45	138	173	1,029	1,202	1,202	100·00
Roman Catholic Classical Colleges	21	747	....	8,128	....	8,128	6,790	83·54
University	1	333	22	1,575	777	2,352	2,352	100·00
Schools for the Deaf, Dumb and Blind	3	41	101	219	277	496	496	100·00
Schools of Arts, etc.	12	49	....	2,840	....	2,840	1,491	52·50
Night Schools ...	57	119	7	2,540	699	4,239	2,142	50·53
Technical Schools .	5	60	....	1,242	....	1,242	994	80·03
Dress-cutting Schools	62	...	62	....	2,851	2,851	2,067	72·50
Agricultural Schools	2	77	....	502	....	502	502	100·00
School for Higher Commercial Studies, Montreal	1	21	....	46	....	46	46	100·00
Totals.....	6,562	3,603	11,772	212,658	216,154	428,812	341,286	79·58
Protestant Schools								
Elementary Schools	714	44	1,422	20,568	20,603	41,171	31,030	75·37
Model Schools ...	55	7	171	2,529	2,674	5,280	3,976	76·42
Academies	41	102	338	5,872	6,230	12,102	9,308	76·91
Normal School ...	1	7	6	7	152	159	159	100·00
Universities	2	218	....	749	199	948	948	100·00
School for the Deaf, Dumb and Blind	1	2	6	37	33	70	70	100·00
Night Schools ...	12	29	....	1,191	....	1,191	592	49·71
Agricultural Schools	1	84	....	77	....	77	77	100·00
Totals.....	827	493	1,943	31,030	28,891	60,921	46,160	75·77

Teachers	Without Diplomas	With Diplomas	Elementary School Diplomas	Diploma Model School	For Academies	From Normal School	From Board of Examiners	Totals of Teacher
Male teachers in Roman Catholic Schools	50	424	70	133	221	248	176	474
Male teachers in Protestant Schools	29	124	4	29	91	40	84	153
Female teachers in Roman Catholic Schools	430	6,234	3,803	2,203	228	1,237	4,997	6,664
Female teachers in Protestant Schools	256	1,675	697	850	128	1,140	535	1,931
Totals.....	765	8,457	4,574	3,215	668	2,665	5,792	9,222

Professors and female lay teachers in the Universities, Normal Schools, Colleges and special Schools	1,064
Members of Clergy in Colleges and other Schools	827
Brothers	2,914
Nuns	6,103
Grand total of teachers	20,130

There was the usual agitation during 1918 for Compulsory education—with the mantle of Dr. J. T. Finnie, ex-M.L.A., falling upon Dr. T. D. Bouchard, M.L.A.; *L'Autorite*, a Montreal weekly, had much to say of alleged illiteracy in Quebec schools and the Quebec Homemakers' Club had, as the first clause in its platform, the advocacy of free schools with a course of studies "suited to the needs of a farming community, presided over by men and women

thoroughly trained and thoroughly imbued with the sanctity of their profession." In the Legislature on Jan. 31st, Mr. Bouchard precipitated a debate on the subject by his School attendance proposals. He declared that he would be satisfied with gradual progress toward reform; contended that the schools, as they existed, were not sufficiently practical; claimed that they were excellent for preparing men for the Church but not for business. One of the reforms suggested was the making of the Council of Public Instruction a more democratic body and adding to it as many members of the Legislature as there now were Bishops.

He favoured the study of the practical sciences in place of Greek and Latin, wanted free text-books for the poor with uniformity in books and system of supply, urged free public Colleges for secondary education and the founding of subsidized day schools in large centres with a six-year course, wanted a system of co-ordinated teaching with a Government supply of flags to all the schools. The debate was continued on Feb. 6th by J. N. Francoeur, Arthur Sauvé and Hon. J. L. Décarie who all adduced statistics to prove that school attendance in Quebec was better than in any other Province excepting British Columbia. Mr. Sauvé, Opposition Leader, opposed compulsory action as threatening liberty of conscience. The remedy was to create a system of co-ordination and all-round educational efficiency. As to the child: "Let us teach him what the French-Canadian is in this country, and especially in our Province, and what the name of British subject means to him. The pupil in the elementary school should learn less and learn it better, to read and write well, to know his tables, his simple sums, his catechism, his natural history and geography, and his grammar, so that he can write properly." There was no vote on the matter.

The Montreal Methodist Conference went further than Mr. Bouchard and by Resolution on June 5th urged the establishment of a Canadian National school system under which, without interfering with either the language or religion of any one, secular education all over Canada should be carried out with a single standard curriculum, set and administered by Federal authority, and made compulsory. *L'Autorite* went so far as to propose secularization of all schools but had little general support; the Protestant Teachers' Association met the Catholic School Commissioners at Montreal on Nov. 26th and urged a compulsory attendance system along co-operative lines while Dr. Bouchard maintained his views in various speeches; a Committee of the Provincial Protestant Teachers reported on Dec. 6th that Montreal had a non-attendance percentage of 23·39 between 7 and 14 years or nearly one-quarter of the entire school population of that age.

Another problem of the year was that of Teachers' salaries; it was more a Protestant than a Catholic one as there were 9,844 clergy, religious brothers or nuns, teaching in the latter schools at nominal salaries. During the year women teachers under the Protestant Board of School Commissioners in Montreal asked

that their scale be raised by $150—from a minimum of $650 to $800; this they urged by Resolution, petition, and the active efforts of Miss Isabel Brittain, President of the Provincial Association. Eventually they were joined by the men and a minimum and maximum scale was decided upon, with new demands which were not granted though the $150 increase was; the Catholic Board of School Commissioners granted an increase of $200 under certain specified conditions.

The two great institutions of Higher education in Quebec were McGill and Laval Universities—the former by the close of the War had 1,360 enlisted graduates of whom 148 had been killed or died of wounds, 217 were wounded and 237 decorated; 750 under-graduates were on the Honour Roll, of whom 100 had been killed, 130 wounded and 80 had won decorations including 2 V.C.'s. Despite this drain upon its attendance the University prospered. On Feb. 25th it was announced by the Board of Governors that the Carnegie Corporation of New York had made an appropriation of $1,000,000 for McGill University, Montreal, to be kept as a special Endowment Fund and its income to be applied to the uses and purposes of the University; the grant was "in recognition of the noble and devoted service and sacrifice of McGill towards Canada's part in the great War, upon which depends the rule of law among nations and the freedom, not only of Canada, but of the United States and of the Democracies of the whole world." The grant was accepted with gratitude and an official assurance that it would prove a stimulus to both war effort and the promotion of international friendship.

On Apr. 18th the Board of Governors decided to establish a new Course to be called the McGill School of Social Study and Training and to create four new degrees—Bachelor of Commerce, Bachelor of Laws, Bachelor of Household Science and Master of Laws. At the same time Miss Helen Y. Reid was appointed a Governor's Fellow to Corporation and Major Herbert Molson a Governor of the University. On May 9th the Faculty of Medicine was thrown open to women and in the Faculty of Agriculture, at Macdonald College, for the first time in Canada, two women students (May 13th) received the degree of Bachelor in Agriculture. McGill Convocation took place on May 13 with the Hon. degree of LL.D. conferred upon Hon. J. M. Beck, New York, Lord Shaughnessy and Principal Maurice Hutton of Toronto while 5 returned soldier-graduates received degrees; of the 291 undergraduates in the Faculty of Arts 150 were stated to be women and there were, also, 72 in partial attendance while the students of Applied Science totalled 150. Statistics of the McGill Hospital Unit, overseas, showed 92,000 patients during 1915-17 with a death-rate of one-half of one per cent. Early in the year (Feb. 11th) Sir Robert Borden was elected Chancellor of the University, while E. W. Beatty, K.C., Francis Maclennan, Fred. W. Molson and Col. Robert Streaker were elected Governors. A. P. S. Glassco became Secretary and Bursar.

An incident of this period was a vigourous attack by Dr. J. A. Nicholson, Registrar, in an address of Feb. 28th, upon the Educational system of the Province, his declaration that Separate Schools were not only undesirable but detrimental and the advocacy of compulsory education, abolition of school fees, transference of educational control from the Provincial to the Federal Government, the abolition of Separate Schools and of French as an official language. This speech by a University official evoked a strong protest from Archbishop Bruchési and a published apology from Principal Sir William Peterson. It may be added that on Feb. 4th the University paid high tribute officially and publicly to Lieut.-Col. John McCrae of "Flander's Fields" fame, a graduate of McGill and member of its Staff. The other English institution of the Province, Bishop's College, Lennoxville, saw on June 27th the completion of a splendid set of new school buildings donated by J. K. L. Ross of Montreal and opened by H. E. the Duke of Devonshire. The Honour Roll of the University included 115 Old Boys with 20 dead on active service. Of other institutions the Montreal Wesleyan College conferred an Hon. D.D. upon Rev. J. R. Saint, B.A., B.D., Newfoundland; Rev. T. E. Bartley, Toronto; Rev. R. G. Peever, B.D., London. This College, and the Presbyterian and Congregational Colleges, were affiliated with McGill. The Loyala (Jesuit) College of Montreal on Mch. 17th unveiled a Service Flag in honour of the 35 students who had given their lives, out of 287 who had enlisted, with Maj.-Gen. E. W. Wilson, C.M.G., officiating. On Apr. 28th it was stated that the entire graduating class (9) of this College had joined the colours. As to Laval University, the great Catholic institution of Quebec and Montreal, it was decided during 1918, subject to approval from Rome, to accord self-government to the Montreal branch with 8 classical Colleges remaining affiliated to Laval at Quebec and 9 to Laval in Montreal —the possible creation of new Chairs in the latter including Architecture, Civil Engineering, Dentistry and a Polytechnical School. An interesting matter of the year was the removal of the war-cloud of distrust which had rested over the student body of Laval and its generous response to the call of arms in 1918 under the guidance of Lieut.-Col. R. de la B. Girouard. The Laval Unit was soon organized and those in training at Ottawa were addressed by Archbishop Mathieu on May 12th in words of forceful patriotism. Dr. L. de Lotbinière-Harwood was appointed Dean of the Medical Faculty at Montreal in August as successor to the late Dr. E. P. Lachapelle. A word must be said here as to the Pastoral issued by Pope Benedict XV, upon the Bi-lingual question, and made public on Oct. 24th. After referring to the nature of the Ontario Regulations of 1915 and the feeling aroused in Quebec, His Holiness proceeded:

> We have come to the conclusion and now decide as follows: The French-Canadians may justly appeal to the Government for suitable legislation as to the above-mentioned law, and at the same time crave and seek further advantages. Such are, undoubtedly, that the Inspectors of their Separate

Schools should be Roman Catholics; that during the first years of tuition the use of their own language should be granted for the teaching of certain subjects, chiefly and above all, of Christian doctrine; and that Roman Catholics be allowed to establish training schools for the education of teachers. But all these advantages, and others that may be useful, must be invoked and sought for by Roman Catholics without any form of rebellion and without recourse to violent or illegitimate methods; and let them employ peacefully and moderately all such means as are legally or by lawful custom permitted to citizens seeking advantages to which they consider themselves entitled.

In this matter, that concerns all Roman Catholics, let no one venture to appeal to the civil courts nor promote litigation without the knowledge and consent of his Bishop, and in such questions let the latter not decide anything without consultation with the other Bishops immediately interested. Let all the priests endeavour to acquire the knowledge and use of both languages, English and French and, setting aside all prejudice, let them adopt one or other according to the needs of the faithful.

Incidents of the year included the second trial of 8 men charged before the Court of King's Bench with conspiracy in 1917 to blow up the home of Lord Atholstan* and the acquittal by jury on Mch. 23rd of six of these men with disagreement in two cases—those of Elie Lalumière and C. Desjardins, the detective; the ovation given at Quebec on June 20th and at Montreal on the 23rd to the French "Blue Devils" or Chasseurs Alpins; the special mining activities of the year in chromite, asbestos and in certain war-mineral industries with the arrangements for operation of a great shipyard opposite Quebec City in the construction of steel ships for the French Government; the opening of a War Museum at Quebec on July 31st and the organization at St. Hyacinthe on Aug. 31st of a Quebec Farmers' Union with T. D. Bouchard, M.L.A., as Hon. President, and Anthimé Aros, Rouville, as President—Mr. Bouchard becoming Chief Organizer for the Province; the notable plea for better relations between Quebec and Ontario, French-Canadians and the Empire, by Lieut.-Col. L. G. Desjardins in his volume *England, Canada and the Great War,* and the appeal of J. M. Godfrey, Toronto, for a Bonne Entente in his address at Ottawa on Feb. 10th, 1918; the appointment of Capt. E. E. Cinq-Mars of Hull, Que., as Military Governor of Mons in Belgium. On Oct. 21st, following the death of Sir Pierre Le Blanc, the Rt. Hon. Sir Charles Fitzpatrick, G.C.M.G., Chief Justice of Canada since 1906, was appointed Lieut.-Governor of Quebec. The permanent Montreal Tramways Commission, created under legislation elsewhere dealt with, was composed of Hon. J. F. Saint Cyr, Prof. L. A. Herdt of McGill and J. S. Archibald.

Nova Scotia; Conditions and Problems of 1918.

The Government of Hon. G. H. Murray entered its 23rd year in 1918 and had little political opposition to face during the year. On Jan. 19th Harry Hamm Wickwire, K.C., M.L.A., was appointed Minister without Portfolio; on June 22nd he became Minister of Highways—a newly created position—and was re-elected for Kings by acclamation. Mr. Wickwire, who had been

*Note.—See 1917 Volume.

in the House, with one brief interval, since 1894, had devoted much attention to the subject of improved roads and one result was the N.S. Highway Commission composed of W. G. Clarke, Bear River (Chairman); Colonel Thomas Cantley, New Glasgow; Walter Crowe, K.C., Sydney; Percy C. Black, Amherst, and James Kellaher, Halifax; which met for the first time on Jan. 23rd to deal with this important question of better roads. The chief officers of the Board were announced as Hiram Donkin, C.E., Consulting Engineer, and W. Y. Yorston, Chief Engineer, with an office staff and district engineers, etc. William Chisholm, M.P., from 1905 to 1915, and M.L.A. since 1916, was appointed a member of the Ministry without Portfolio on Feb. 1st and Robert Emmett Finn, LL.B., M.L.A., since 1906, to a similar position on June 26th. Two Federal appointments to the Bench of this year were warmly approved in Nova Scotia—that of Mr. Justice R. E. Harris as Chief Justice of the Province, and of Humphrey Mellish, K.C., the local leader of the Bar, to the Supreme Court. Other Provincial appointments were as follows:

Judge of the Juvenile Court	James J. Hunt, K.C.
Deputy Attorney-General	Fred F. Mathers, K.C.
Deputy Provincial Secretary	Arthur S. Barnstead
Clerk of Executive Council	Arthur S. Barnstead
Registrar of Joint Stock Companies	Arthur S. Barnstead
Secretary of Industries and Immigration	Wesley B. MacCoy, K.C.
Taxing Master at Halifax	Charles F. Tremaine
Stipendiary Magistrate for Kentville	Harold M. Chase
Sheriff of Colchester	Isaac O'B. McKim
Deputy Stipendiary Magistrate for Halifax	Walter J. O'Hearn, K.C.
King's Counsel	Edward H. Nichols
King's Counsel	Joseph W. Margeson
King's Counsel	Neil A. MacMillan
Member of the Provincial Medical Board	M. T. Sullivan, M.D.
Member of the Provincial Medical Board	John J. Cameron, M.D.

Mr. Murray took part in the two Inter-Provincial Conferences and stood strongly for a Maritime indemnity if Western demands as to national resources were upheld; he promised and carried out a policy of co-operation with the Dominion Food Board in the increase of agricultural production; he carried Woman's Suffrage through the Legislature and had to deal with the results of the Halifax disaster during the first part of the year—the Government granting $100,000 to the Fund; as Provincial Treasurer he issued Provincial bonds for $1,500,000, 10 years at 6 per cent., which realized 98—most of it being taken by the Halifax Relief Commission and the Workmen's Compensation Board; he promised, on Dec. 6th, to work out a Housing policy which would be helpful to the people. The Provincial budget was presented by him to the Legislature on Apr. 9th and showed that the expenditures in 1917 (30th Sept.) were $2,318,911 as against an estimate of $2,404,865 while the revenues were $2,118,618 with a deficit of $200,293. There had been shortages from the estimate of $45,000 from Mines, $40,000 from Amusement taxes, $20,000 from Succes-

sion duties and $41,000 from Hospitals. The estimated revenue for 1918 was $2,480,599. The Debenture liabilities of the Province (Sept. 30th, 1917) were $13,362,706 and the currant indebtedness $547,529, chiefly due to Halifax banks; the current Assets included Provincial Debt account at Ottawa, $1,055,929, first Mortgage, Halifax and South Western Railway, $4,447,000, Sinking Funds $586,-517; the Property Assets were put at $5,435,000 and Lands and Mines valued at $21,750,000.

A number of Boards and Commissions reported during the year. That of Public Utilities (John W. Ross, P. R. Colpitt, R. T. MacIlreith) for the year ending Dec. 31st, 1918, dealt with 276 public utilities of which 204 were Telephones, 34 Electric, 32 Water, 5 Tramways and 1 Gas. Numerous sittings were held and the most important decision was that fixing the valuation of the plant and property of the Maritime Telephone and Telegraph Co., Ltd.; another adopted a uniform schedule of Telephone rates and rules. The question of higher rates was reported as vital—with difficulties in obtaining new capital, the higher interest charges, the increased cost of labour, fuel and materials, as factors in the situation. The Board described its policy as follows: "Public Utilities, in common with other Companies and ordinary citizens, must be expected to bear their fair share of the burden which war conditions have imposed, but they are entitled to such a revenue as will meet operating cost and yield a fair, if somewhat modified, return on the value of the property used. To withhold revenue sufficient to operate must result in decreased efficiency of service and ultimate bankruptcy or a receivership. To withhold return on investment will discourage capital and retard development of necessary enterprise."

The 1st Report of the Workmen's Compensation Board—V. J. Paton (Chairman), F. W. Armstrong and John T. Joy—for the year 1917 dealt with 1,704 industries. The Board refused the applications made by the Dominion Coal Co., and by the Dominion Iron & Steel Co., for certificates enabling them to substitute other schemes of compensation for the provisions of the Act, in their Cape Breton industries. Workmen within the scope of this Act were able to obtain compensation without legal expense, and with the least possible trouble and delay. Various precautions were taken by the Board to prevent malingering and fraud and to protect the employer from imposition, and employers in general were found to be favourably disposed towards the Act and ready to co-operate with the Board. The Halifax disaster, of course, threw upon it much extra work; the number of normal accidents in industries under its jurisdiction was 7,138 and the fatal accidents 142 during this year.

The Report of the Shipbuilding Commission of 1917 was presented of the House by Mr. Murray on Mch. 5, 1918; its members were D. MacGillivray (Chairman), C. F. McIsaac, David E. North, A. MacKenzie, Fenwick L. Kelly and M. MacNeil, Secretary; it was stated that the vessels completed in Nova Scotia during

1917 reached 20,000 tons costing $2,500,000; its conclusion was that the encouragement of the Steel shipbuilding industry and the measures to be taken for its development and growth were matters primarily and essentially for the Dominion Government. Reports received indicated that the resources of the Province, in suitable yards and labour, were pretty fully employed and that current ship construction, exclusive of fishing schooners, amounted to 30,000 tons. Mr. Murray's Report as Provincial Secretary, showed 132 Companies incorporated in 1917 including 68 Farmers' Fruit, Produce and Warehouse Associations and described a great increase in Motor vehicles with a registration of 2,571 additional to the 5,029 total of 1916; the Receipts of the year were $167,279 or an increase of $21,086—the largest on record.

To Mr. Murray there reported the Secretary of Industries showing a distribution of 723 Provincial Handbooks and lists of improved farms for sale with maps and agricultural reports and a large correspondence; the receipt of 28 applications for loans with 12 granted and a statement of Patriotic war gifts from Nova Scotia totalling $3,289,295 to Dec. 31st, 1917, and including Patriotic Fund, Red Cross, Belgian Relief—the latter $700,000. The Game Commissioner in his Report urged increased protection for game and stated the annual kill of moose as being 1,331 with a gradual decrease in caribou and increase in deer, with 703 foxes in captivity; J. A. Knight, Inspector-in-Chief under the N.S. Temperance Act, reported a large increase of external shipments into the Province, despite the closing of wholesale houses in Halifax, with much traffic in the hands of "bootleggers," etc., but, also, general improvement in conditions as to drunkenness and arrests.

Of other Government Reports only those for 1917 are available. The Hon. E. H. Armstrong, Commissioner of Public Works and Mines, dealt with a decreased output of 692,811 tons of coal and decreased sales of 790,636 tons; the production was 5,803,660 tons and that of pig-iron and steel ingots 952,892 short tons; the product of gypsum was 308,108 short tons, of brick 13,598,175 in number and of drain-pipe and tile 959,933 feet; the imported iron-ore was 991,084 tons. Another Report showed $389,399 of expenditure on roads and bridges and much trouble in getting work done; that relating to factory inspection showed 1,297 accidents in the year of which 26 were fatal and 511 severe; Mr. Armstrong also had the hospitals and Sanitaria under his charge.

The 2nd Session of the 36th General Assembly (Legislature) of Nova Scotia was opened on Feb. 21st, 1918, by McCallum Grant, Lieut.-Governor, in a speech from the Throne which referred to the progress of the War and to the "overwhelming disaster" at Halifax in December, 1917, as an indirect result of the War-struggle; described the past year as one of substantial prosperity in which all industries had shared—with the exception of a reduction in coal output; mentioned the revival of wooden ship-building and the launching of Nova Scotia's first large steel steamer;

dealt with the Workmen's Compensation Act as standing a severe first year's test and bringing comfort to hundreds of homes; described arrangements with the Federal Government under which the Nova Scotia Hospital, the Sanitarium and the Technical College were being utilized for wounded soldiers or for re-training purposes; referred to the Highway Act organization, the mining disasters of 1917 and the need for food production and promised extension of the franchise to women. The Address was moved by D. A. Cameron, K.C., of Cape Breton and J. J. Kinley of Lunenburg. The latter estimated the requirements to compensate sufferers from the year's disasters as follows: New Waterford Mines $121,000 and Stellarton Mines $300,000. After debate the Address passed without division.

There was some important legislation during the Session, which closed on Apr. 26th and it included measures amending and consolidating the Towns' Incorporation Act, Municipal Act, Assessment Act, Education Act, N. S. Temperance Act, Coal Mines Regulation Act, Public Health Act, Motor Vehicle Act, Bills of Sale Act and The Juries Act. The Halifax disaster was dealt with in the incorporation of the Halifax Relief Commission, the passing of the Disaster Provincial Loan Act which authorized the borrowing of $100,000 for this purpose, and a measure permitting towns, cities and municipalities to contribute to a Fund for the relief of the sufferers. The N. S. Water Power Act dealt with the conservation and utility of water-powers for industrial purposes; under the consolidation of the Franchise Act women were given the right to vote on about the same terms as men. These were that they should be British subjects by birth or naturalization and, at the time of last assessment, were assessed on real property to the value of $150, or on personal, or personal and real property together, to the value of $300. Further, that at the time of the last assessment they were assessed on income to the amount of $250 or more. Amendments to the Public Health Act enabled the Provincial Health Officer to make stringent regulations as to Venereal diseases and to enforce them by arrest, detention, isolation and fines.

The Provincial Medical Board was enlarged to 15 members, of whom the Government appointed 9 and the Medical Society 6; under the taxation of Companies measure concerns such as the N. S. Tramways and Power Co. had to pay to the Government 2 per cent. on gross income and a further sum of 6 per cent. on one per cent. of that income; a Bill presented by the Premier authorized the borrowing of $1,000,000 to retire maturing obligations; an amendment to the Fishery laws gave power to County Councils to grant or refuse licenses giving exclusive right of fishing on private property; the City of Halifax was given the power to hold a Plebiscite as to its form of Civic government; the Mines Act amendments gave the Provincial Government drastic powers in speeding-up production through its control over licenses or leases of coal areas; penalties incurred for breaking the N.S.

Temperance Act were increased in stringency. The Halifax Relief Act created much controversy and was concerned with the incorporation of a Federal Commission controlling an expenditure of $20,000,000 and meeting the needs of about 6,000 homeless people. It gave necessary and almost autocratic powers as to re-planning the new area, expropriation of land, and definition of limits under its jurisdiction; protests were presented against some clauses affecting workmen and against its Housing scheme, with equally strong opinions expressed in support. The Bill became law in due course.

W. L. Hall, K.C., Opposition (Cons.) Leader, during the Session supported universal suffrage for men and women subject only to age and citizenship; urged increased production of fish and a Provincial measure for Daylight Saving; asked for a revision of the Statutes and the abolition of the Legislative Council. On Dec. 17th a Convention of Liberal members in the Legislature and Commons and Provincial party leaders in general was held at Halifax with J. H. Sinclair, M.P., in the Chair and a statement issued to the effect that conclusions were united and harmonious. Hon. G. H. Murray, Hon. W. S. Fielding, and Hon. L. G. Power were appointed Hon. Presidents of the ensuing Provincial Liberal Association and J. B. Douglas of Halifax was elected President.

The local event of the year was the reconstruction of Halifax which was placed by the Dominion and Provincial Governments in the hands of a Relief Commission composed of T. S. Rogers, K.C., Halifax, (Chairman), W. B. Wallace, Halifax, and F. L. Fowke, Oshawa, with R. P. Bell as Secretary. This body was the outcome of recommendations by a Special Committee appointed in December by the N. S. Government and composed of F. B. McCurdy, Hon. R. G. Beazley, H. R. Silver, W. R. Powell, F. H. Bell, G. W. Hensley and G. Fred Pearson. Large powers of organization, expenditure, construction, town-planning, expropriation, were conferred and its work was divided into (1) rehabilitation, or physical and financial aid to the victims of the disaster and (2) reconstruction in buildings and property.

Departments were formed dealing with claims, finance and audit, relief, building, legal matters, medical conditions, Housing, Pensions, appraisal. During 1918 the expenditures for Emergency relief totalled $7,500,000 and the repair of housing, or compensation for property, or damages, came to $11,000,000. Colonel R. S. Low was in charge of Reconstruction work and afterwards G. H. Armstrong, Toronto; the Rev. Dr. George B. Cutten acted in a general Advisory capacity, Miss Jane B. Wisdom did good service in Welfare work, Dr. Kendall was in Medical charge and G. A. MacKenzie was head of the Appraisal Board. The total material losses were put at $35,000,000 and included Dominion Government and shipping losses of about $10,000,000, Government Railways $1,225,000, dwellings $6,475,000, churches $1,000,000, contents of houses $3,330,000, merchandise, etc., $1,041,000, manufacturing

plants $3,420,000. The larger Relief contributions included the following:

Imperial Government	$5,000,000	British Columbia Government	50,000
Dominion Government	12,000,000	Dominion Iron & Steel Co.	50,000
British Red Cross	125,000	New York Special Fund..	75,000
Bank of Nova Scotia	100,000	St. John's, Newfoundland.	50,000
Chicago (U.S.) Committee	130,000	Royal Bank of Canada...	50,000
Lord Mayor's Fund, London	600,000	Greater Vancouver	56,180
Province of Ontario	100,000	Winnipeg Free Press Fund	85,011
Australian Government ...	250,000	Massachusetts (U.S.) Com-	
New Zealand Government.	50,000	mittee	500,000

Thousands of workmen were brought to the City in January, quantities of glass and construction supplies were shipped in, temporary houses erected, self-contained flats prepared; Lieut.-Col. McKelvey Bell was in early charge of Medical relief and did splendid work; the Dominion Government, on Mch. 13th, added a grant of $7,000,000, to its preceding one of $5,000,000 although, as the Prime Minister stated in his Order-in-Council, no legal liability rested upon the Crown in a matter which was essentially "an emergency of the War"; the total number of men working at reconstruction on Mch. 17th was 3,850; the contributions to the Fund for the 41 persons blinded in the disaster totalled $72,000 in April and the final estimate of dead or missing was 1,630 men, women and children. Meantime, there was a demand in Halifax for Dominion Government reparation in the matter of losses which was supported by all classes and public bodies; there was a similar call for complete and careful investigation as to conditions with some popular misunderstanding as to degrees of responsibility. The Port of Halifax was in full charge of the Canadian Naval authorities and the Department of Marine; the Admiralty had certain control over shipping but such rules and regulations as existed were local. There was much press denunciation of Francis MacKay, Pilot, and A. Lemedec, Master, of the *Mont Blanc* whose destruction caused the disaster and of Commander F. Wyatt, R.N.R., chief examining officer of the Port; there had long been disputes between the Canadian Naval authorities of the Port and the Pilots and this was shown in Court evidence and public discussions. The first Inquiry was that of a Board appointed by the Minister of Marine (Dec. 6th, 1917) and composed of Mr. Justice Arthur Drysdale with L. A. Demers and Walter Hose as Nautical Assessors. The main points of its decision on Feb. 4th were as follows:

1. The explosion on the S.S. *Mont Blanc*, on Dec. 6th, was undoubtedly the result of a collision in the harbour of Halifax between the *Mont Blanc* and the S.S. *Imo*.
2. Such collision was caused by violation of the rules of navigation.
3. The Pilot and Master of the S.S. *Mont Blanc* were wholly responsible for violating the rules of the road.
4. Commander Wyatt was guilty of neglect in performing his duty at C.X.O. in not taking proper steps to ensure the regulations being carried out and, especially, in not keeping himself fully acquainted with the movements and intended movements of vessels in the harbour.

An official inquiry into Pilotage conditions, followed, by experts appointed by the Minister of Marine (Mr. Ballantyne) with a number of recommendations which were accepted and put into effect—Lieut.-Col. H. St. G. Lindsay being appointed Pilot Commissioner. Meantime, a preliminary examination of Wyatt, MacKay and Lemedec, charged with manslaughter, had been proceeding before Stipendiary McLeod; the two latter were committed for trial at the Supreme Court and Wyatt was bound over to appear if called. The case of the two officers of the *Mont Blanc* came before Mr. Justice B. Russell who, on Mch. 15th, released MacKay under Habeas Corpus with the statement that there seemed to be no evidence whatever upon which an unbiased tribunal could hold him criminally culpable. The release of Lemedec followed and Judge Russell, later on, refused to issue an order for the indictment of MacKay. On Apr. 16th Wyatt, also, was acquitted by Judge Russell and a jury; on the 19th Judge Drysdale decided in the Admiralty Court that the *Mont Blanc* was solely to blame for the collision and indicated a belief in the guilt of MacKay. A great ship-building industry was started in June with James Carruthers and J. W. Norcross of Montreal, M. J. Haney, Toronto and H. W. Brown as leading figures in a syndicate which evolved the Halifax Shipyards, Ltd.

As to Educational matters there was a falling off in school enrollment from 109,032 to 108,097 in the year ending July 31st, 1918; Normal-trained teachers diminished by 55 to 1,673; the schools in operation in 1918 were 1,806 or an increase of three and Sections without schools increased by 18; the total number of teachers was 3,037 or a decrease of 8; there was a decrease in salaries of those up to 5 years' service and an increase between 5 and 20 years. The annual Report of Dr. A. H. MacKay, Superintendent of Education, showed 260 pupils in the Normal College, 131 in Rural Science School, 397 in all courses of the Truro Agricultural College, 1,612 in the Evening Technical Schools and none in the N. S. Technical College, which was utilized for military purposes, with 453 in the Coal-mining schools. The value of school property was $3,890,601 and the Educational expenditures of Province, Municipalities and School sections totalled $1,872,444. The N. S. School Book Bureau distributed 239,943 text-books during the year with an expenditure of $42,998 and a total distribution since 1915 of 725,601 books. The School for the Blind under Sir C. F. Fraser had a registration of 142 with 51 graduates.

Dalhousie University had a successful year despite the damages incurred in the Halifax disaster which, later on, the N. Y. Carnegie Corporation assumed. Senator and Mrs. William Dennis endowed, with $60,000 a Chair of Government and Political Science in memory of their son, Lieut. E. R. Dennis. The Convocation of May 9th celebrated the centennial year of the University and was marked by an historical address from President A. S. MacKenzie and the Presidents of Acadia and King's; the proclamation of an

Honour Roll including 576 enlistments, 15 decorations and 36 deaths on active service; the fact of 91 students in Arts and Law and 185 in other Faculties compared with a pre-war total of 567. On Nov. 9th the 33rd degree of Hon. LL.D., in 100 years, was bestowed by Dalhousie upon Samuel W. McCall, Governor of Massachusetts. King's College, at Windsor, dating back to 1770 also made progress in this year and its Advance Movement, organized by Rev. Canon Vernon, realized subscriptions of $76,000 by August as part of the $125,000 aimed at. The St. Francis Xavier University, Antigonish, published a long list of 281 students and graduates at the Front, while one of its staff, the Rev. Father Tompkins, was decorated with the M.C. for bravery, 11 others won Honours, and 22 were reported as killed or missing; at the Convocation on May 14th there were 25 graduates as B.A. and 5 as M.A.; to the Rev. James Boyle of this College was due a Red Cross subscription from Antigonish of $5,000 in July when $3,000 was the amount asked for. A Catholic Conference on Education was held at this centre on July 27th with Bishop Morison presiding and unanimous expression was given to the fact that the schools needed improvement and that there was distinct retrogression visible in rural education. A Diocesan Convention of Clergy and representative laymen was urged by Resolution.

On Dec. 11th H.E. the Duke of Devonshire paid a visit to St. Francis Xavier. At the Convocation of the Halifax Presbyterian College (Apr. 17th) the Hon. degree of D.D. was given the Rev. H. R. Grant and the N. S. Agricultural College on Apr. 12th graduated 21 students. Acadia University, Wolfville, was enriched during the year by $80,000 received as endowment funds: at the Convocation of May 29th the Hon. degree of D.C.L. was granted Sir Ezekiel McLeod, Chief Justice, and Amon A. Wilson, President of the Baptist Conference with an Hon. M.A. granted to Newton MacTavish, *Canadian Magazine,* Toronto; the graduates of 1918 numbered 17 and the registered students 155; Dr. J. D. Logan presented to the institution his valuable personal library of 600 volumes of Canadiana. Reports of Temperance advocates in the Province during the year were satisfactory as to their cause and the claim was officially made by the N. S. Temperance Alliance as to a marked decline in signs of drunkenness, a reduction in the number of prison inmates as a result of drink and a very great change in public sentiment. The Government, however, was asked to increase penalties for infractions of the Act and to otherwise strengthen its enforcement—the official vendor in Inverness County being said to have sold $27,000 worth of liquor within a year. At its annual meeting the Alliance re-elected Rev. Canon C. W. Vernon as President and Rev. Dr. H. R. Grant as Secretary. The Sons of Temperance at a Halifax meeting on Dec. 5th deplored the failure of the City authorities to enforce Prohibition.

The administration of Agricultural affairs in the Province was in the hands of Hon. G. H. Murray with M. Cumming as Secretary of Agriculture; in 1917 the farms and gardens of Nova

Scotia produced $27,117,203 worth of produce with an additional $9,000,000 of income from live-stock and their products; various Bulletins were issued in 1918 as to wheat growing, seed, agricultural labour, implements, etc., by the Department; food production was promoted so far as great scarcity of labour and seed would permit; the Apple crop was very poor in the famous Annapolis Valley but brought good prices— the total for the Province being about 500,000 barrels; root crops were heavy but damaged by rains with a harvest, however, of about 10,000,000 bushels of potatoes and of turnips; hay was greatly inflated in price and accounted for much of the increased total for 1918, which was $43,820,276, besides the value of live-stock and products. The chief items were as follows:

Product	Bushels	At	Value
Wheat	704,985	$2.25	$1,586,216
Oats	5,396,815	1.00	5,396,815
Barley	406,175	1.20	487,410
Buckwheat	446,992	1.40	625,788
Beans	143,935	8.00	1,151,480
Potatoes	9,776,918	.90	8,799,226
Turnips	10,250,194	.25	2,562,548
Mangels	982,894	.25	245,741
Hay	978,695	20.00	19,573,920
Apples	500,000	.....	1,250,000
Garden Truck	.....	.....	1,500,000

In other directions the returns included $10,000,000 from Fisheries, $70,000,000 from Shipping and Manufactures, $4,200,000 from Lumber, $26,000,000 from Coal and $25,388,000 from pig-iron, steel ingots, iron ore (imported) and coke, $1,000,000 from other Mineral products. The total estimated product of the Province, therefore, was $181,630,000.* To this result the N. S. Dairymen's Association, of which A. M. Wheaton, Wolfville, was President, the N. S. Farmers' Association, the N. S. Fruit Growers' Association and the N .S. United Fruit Companies, Ltd., of which F. W. Bishop of Paradise was President, contributed appreciably. Mr. Bishop, at the Kentville meeting of his organization on June 25th, declared the trying times of the Apple industry of Annapolis to be over and expected a period of great prosperity; he spoke also of the hold Provincial potatoes had won on the Cuban market; the benefits of co-operation were clearly seen in this latter combination.

As to Provincial industries of a manufacturing nature they prospered greatly—Halifax, alone, in 1917 having $22,000,000 of production, 17,100,000 tons of shipping passing through its Port and handling 1,700,000 tons of freight. New Glasgow was busy building steel ships and other places wooden ships; Halifax had an immense volume of work in progress of an industrial as well as reconstructive nature with a great shipbuilding industry under way; Sydney and the Cape Breton centres were alive with industrial activity and the creation of a plant for ship plates with 150,000 tons' capacity. The Lumber output was equal

*Note.—Yearly estimate by Prof. Cumming, in Halifax *Herald*, Dec. 31st, 1918.

to that of 1917 with prices higher; the total production for the Province in manufactures, ships and freights was put at $58,340,000 by the Halifax *Chronicle*.

Nova Scotia continued its splendid war record during the year and the total of its men enrolled for service was 30,500 or 37 per cent. of the male population between 18 and 45 with 7,000, also, employed in home defence; the subscriptions to War Loans totalled $70,000,000 and contributions for miscellaneous War funds in 1914-18 were $4,999,977. Lieutenants K. C. Stairs and P. B. Stairs added their names to the war-death list of this noted Halifax family; Lieut.-Col. C. J. T. Stewart, D.S.O. and Major Ivan N. Ralston, M.C., of Halifax were also killed in action; the Navy League of this Province, under President F. K. Warren, was very active with $69,000 of current receipts; the N.S. Returned Soldiers' Commission of which Hon. R. M. MacGregor was Chairman and W. B. MacCoy, K.C., Secretary, did notable work in re-establishment and so did G. S. Campbell and his Provincial Committee in the Victory Loan campaign which had an objective of $20,000,000 and realized over $30,000,000; in the campaign for greater production 2,050 boys were enrolled, the Red Cross effort in Halifax during July went over the $100,000 mark and in September the Patriotic Fund realized $137,000 in three days. A war incident of another character was the riot in Halifax on May 26th which involved soldiers, sailors and civilians in a common mob disturbance with some injury to property and damage, also, to the City Hall—the cause being obscure but the Police the main object of attack.

New Brunswick: Politics and Conditions of 1918.

The progress of New Brunswick in this year was considerable and the new Government of Hon. W.E. Foster did its best to enhance development and make the Province better known. There were financial and war difficulties, however, and various limitations which the Budget debate of Apr. 9th clearly illustrated. The Hon. Robert Murray, K.C., Provincial Treasurer, spoke of not having yet reached "the peak-load of overhead charges" inherited from the late Government, and the enormous load laid upon the Province in the Valley Railway matter; stated the Funded Debt at $15,809,855 including $5,950.000 of Valley Railway bonds and debentures with additional Railway liability and Bank over-draft of $615,675 and Contractors' deposits and hold-backs of $238,681; placed the total outstanding liabilities of the Province at $16,797,050 with the increase in bonded debt for the year of Oct. 31, 1917, as $750,796 and an increase between 1908-16, under the preceding Government, of $9,224,525; stated the receipts for 1917 at $1,572,813 and the expenditures at $2,166,905; the estimate for 1918 revenue was $2,135,780 and expenditures $2,125,709. He pointed out that the book-keeping system of the Province had been changed from that of single-entry to the double-entry plan under the charge of Price, Waterhouse & Co., and that the entire Departmental system had been altered.

JAMES H. WOODS,
President Canadian Press Association in 1918 and Chairman Canadian Press Delegation to England.

FRANK D. L. SMITH.
Managing-Editor *Toronto News*, Member of Canadian Press Delegation to England.

The actual ordinary Receipts for 1918 as reported at the close of the year were $2,357,909 which included $99,272 of St. John Valley Railway earnings; the ordinary Expenditures were $2,399,062 including Valley Railway interest of $175,469. The chief items of revenue were Dominion subsidies, $637,976; Territorial receipts $791,027; Corporation and Railway taxes $130,679; Succession duties $90,417 and Motor Vehicle tax $90,188; Sale of Seeds $169,140. The chief items of expenditure included Agriculture $256,517, Education $296,257, Interest $452,968, Provincial Hospital $127,298, Public Works $523,782. There were, also, special receipts of $267,722 on account of Patriotic Fund and expenditures on same account of $243,560; there was $789,000 received on a Bond isue which, with small items on both sides, left the total Receipts as $3,667,805 and the Expenditures as 3,636,854—including the 1917 deficit of $663,356. There was a general credit balance of $30,951. The Minister carried a new Audit Act through the Legislature which provided for a Treasury Board oversight and the creation of an Audit Branch and appointment of a Comptroller-General, the use of double entry accounts and a continuous audit system. As Provincial Secretary, Mr. Murray received the Factory Inspector's report for Dec. 31st, 1918, showing "abundance of employment available" for skilled and unskilled workers and 102 industrial accidents during the year; the Provincial Hospital reported 623 patients and a revenue of $51,001 with $127,298 as the cost of maintenance.

The Minister of Public Works (Hon. P. J. Veniot) reported elaborate details, without comment, as to expenditures totalling $1,374,900 of which $364,902 was for Permanent Bridges, $221,718 for ordinary Bridges, $224,634 on ordinary Roads and $436,547 on Permanent Roads. Whatever Government or Minister might be in power roads were a favourite subject of Opposition attack in New Brunswick and Mr. Veniot had his share in 1918. On the suggestion of Hon. B. F. Smith, ex-Minister, the Legislature instructed the Government to investigate expenditures in Gloucester County, which Mr. Veniot represented in the House, and upon which $33,000 was expended for Roads; some cases of small payments for work not done apparently existed and J. G. Robichaud, M.L.A., was mixed up in alleged indirect sales of gasoline to the Government; a Departmental inquiry followed and looseness in local methods was indicated but nothing worse.

The Report of Hon. E. A. Smith, Minister of Lands and Mines, for 31 Oct., 1918 was a well-illustrated and well-written publication showing net revenues of $791,027 compared with 544,191 in 1917; 229,617 tons of coal mined compared with 96,577 tons in 1914; a continued classification of Crown Lands with 1,660,000 acres covered to date of which 73·14 per cent. supported mercantile timber suitable for saw-logs—including 979,132,740 feet of softwoods and 636,326,260 of hardwoods; stumpage dues paid the Government in the year were $471,026. There were still 7,000,000 acres ungranted with an estimated value of $200,000,000. Dur-

ing the 1918 Session new Forest and Forest Fire Acts were passed which involved the creation of a Board controlling, under the Minister, all permanent appointments in the Forest service, aiding the development of scientific Forestry and reforestation, providing for inspectors, rangers and scalers and appropriating $100,000 a year for protection of Forests from fire. The Advisory Board was composed of the Minister of Crown Lands (Chairman), T. G. Loggie, I.S.O., Deputy Minister, G. H. Prince, Provincial Forester, D. J. Buckley and Archibald Fraser with Miss R. M. Gordon as Secretary. New Timber regulations came into effect on Aug. 1st which defined the stumpage dues to be paid and the conditions of license. Water-powers were also under this Minister with an estimated total of 20,000 horse-power. Early in the year an arrangement was made with the Dominion Conservation Commission for a technical investigation and the Minister appointed a Commision, without remuneration, to aid in the work, composed of C. O. Foss and Burton M. Hill with W. E. McMullen as Secretary.

Agriculture was administered by Hon. J. F. Tweeddale, Minister and E. P. Bradt, B.S.A., Deputy-Minister (in succession to W. R. Reek, B.S.A.),and a number of expert officials. The Live-stock of the Province showed an all-round increase of 125,000 head in 1918 with a total of 66,590 horses, 266,747 cattle, 140,015 sheep, 79,814 swine; there were, also, 675,412 head of poultry. The Dairy industry was prosperous with 15 creameries reporting 660,884 pounds, worth $297,397, and cheese factories 1,115,753 pounds worth $232,527; co-operative cheese and butter factories were encouraged by the Department as were poultry and bee-keeping; the "greater production" campaign of 1918 was aided by a grant of $25,000, 100,000 bushels of seed were distributed at cost-price and a large increase in acreage and production followed; the Agricultural Education grant from the Dominion was $64,110 and was spent largely on instruction and demonstrations; the Agricultural Societies numbered 151 with 9,893 members in 1918 and a Provincial grant of $79,000; the chief Agricultural organization in the Province was the Farmers' and Dairymen's Association with C. M. Anderson of Sackville, as President. Legislation during the Session provided for the special purchase and sale of sheep for breeding purposes and appropriations for agricultural objects totalled $219,916. The production of the year was as follows (Dominion Statistics) with the total values of barley, rye, peas, fodder-corn and alfalfa not specified and totalling $655,670:

	Area Acres	Yield per Acre bus.	Total Yield bus.	Total Value $
Spring Wheat	49,453	19·00	940,250	2,183,700
Oats	224,442	31·50	7,051,400	6,877,400
Beans	5,491	15·50	85,580	689,400
Buckwheat	72,483	20·75	1,499,500	2,477,000
Potatoes	57,272	158·50	9,077,600	9,077,000
Turnips, mangolds, etc.	18,507	350·00	6,477,500	3,757,000
Hay and clover	740,637	1·50	1,111,000	16,998,300

On Apr. 23rd the United Farmers of New Brunswick was organized at Woodstock with an attendance of 200 farmers from Carleton, York and Victoria with C. L. Smith, ex-M.L.A., Woodstock, elected President and general organizer. J. J. Morrison, Secretary of the Ontario organization, addressed the meeting and Resolutions were passed; (1) requesting the Provincial Public Works Department to pay for breaking open and snow-ploughing all winter roads; (2) asking that all dealers in mill feeds be licensed and compelled to sell at lawful prices; (3) declaring the Convention in hearty accord with the movement for greater production; (4) recommending that two experienced farmers be appointed on the Railway Commission; (5) deciding to nominate experienced farmers for every rural constituency in future elections in the Province and recommending that an abattoir be established at St. John. A Co-operative Company was also formed. Other meetings were held and counties organized and on Aug. 22nd another meeting at Woodstock passed motions which again endorsed the need of greater production, urged the taxation of War bonds, asked for Government consultation in respect to agricultural policy, urged the Government to buy hay direct from the United Farmers' Co-operative Co. and to permit direct sales by farmers without recourse to produce dealers, decided "to stand together in the politics of this country."

Mr. Premier Foster took part in the Inter-Provincial Conferences at Ottawa and was active in the effort to obtain increased subsidies for the Maritime Provinces in return for any handing over of Western resources to Western Governments. He told the press in Toronto on Nov. 26th that: "Our Government is dealing with some pressing problems in New Brunswick, including good roads, forest and game preservation, and agricultural settlement. We are building trunk lines by capital expenditures from the Provincial treasury, and we are aiding the various municipalities to build local roads and branches. We have organized a permanent corps of officials to act as game wardens, fire rangers, and scalers." He said the people of New Brunswick, irrespective of party, thought the Dominion Government should take over the St. John Valley Railway and so complete it as to bring the National Transcontinental to St. John. The Hon. W. F. Roberts, Minister without Portfolio, carried legislation in 1918 which provided for a Department of Public Health to be presided over by a responsible member of the Executive who would be styled Minister of Health, and be paid $2,100 per annum. He would have under his control a Bureau of Health composed of not less than seven or more than nine members. Later on he was appointed Minister in charge of this Bureau and did good service during the Influenza period; at the close of the year he took up, actively, the question of pure milk distribution in St. John.

The Educational system of New Brunswick was under a Board composed of the Lieut.-Governor, the members of the Executive Council, Dr. C. C. Jones, Chancellor of the University of New

Brunswick, and the Chief Superintendent of Education, Dr. W. S. Carter. Official statistics for the year of June 30th, 1918, showed 15 grammar schools and 27 teachers, 50 superior schools and 57 teachers, 766 graded schools and 1,220 ungraded schools with 542 1st class teachers, 990 2nd class and 431 3rd class; the number of children in attendance was 71,782; the Provincial grants for all schools was $286,949 and the great mass of pupils had lessons in morals, reading, spelling, drawing, writing, arithmetic, health, nature studies, and physical exercise, with many subjects optional and a little over one-half taking lessons in grammar, history and geography.

Incidents of the year included the Synod statement of Bishop Richardson on Apr. 20th that Biblical education in the schools was prevented by the Roman Catholic attitude and that this "increasing aggression and domination of the Province" should be checked —with an Orange Grand Lodge Resolution promptly approving this view; an address by Rev. Father L. Gurtin, PH.D., D.D., at Moncton (Aug. 20th) urging a more important place for French in the educational systems of Canada; the Mount Allison University Convocation at Sackville on May 9th with a registration of 204 students and 20 graduates and the Hon. degree of D.D. granted to Rev. R. W. Weddall of Shediac and, later on, the decision by Rev. Dr. B. C. Borden, President, to erect a Memorial Library building in honour of the 54 men of the University who had fallen in the War—with a Fund of $50,000 started for the purpose; the successful year of the Catholic University of St. Joseph with 340 students and 60 on active service with not one boy over 19 years at the College who was liable for military duty and the appointment of Rev. Louis Guertin, D.D., PH.D., as President; the action of St. John School Trustees in adding $100 to the salaries of female teachers and a gift by J. D. O'Connell, St.John, of $10,000 each to St. John and Halifax, $5,000 each to Carleton and Sussex, to be invested and the interest used for yearly treats to orphans.

The Report of the Vocational Training Commission—F. Magee, M.L.A., J. R. Campbell, M.L.A., G. H. King, M.L.A., J. T. Jennings, A. M. Belding and Rev. Father Tessier—favoured (1) pre-vocational classes in small places for pupils of 12 and over with special practical training in rural localities; (2) special day schools and departments, or evening classes, in the larger centres for pupils over 14 years; (3) the Province to bear half the expense and to consider the organization of regional, agricultural and trade schools with vocational departments in agriculture, motor mechanics and home economics in the larger schools; (4) provision for training teachers along these lines, legislation giving effect to the proposals and the creation of a Vocational Educational Board. The University of New Brunswick had 14 graduates on May 16th and conferred the Hon. degree of LL.D. upon His Honour William Pugsley, K.C., D.C.L., and at a later date upon H. E. the Duke of Devonshire; the movement to aid King's College, Halifax, in its endowment fund effort, was largely supported in New Brunswick—by the

Bishop of Fredericton and the work of many local committees. A Maritime Education Convention was held at Moncton on Aug. 27th-29th with 515 teachers present from New Brunswick, 45 from Nova Scotia and 7 from P. E. Island with Dr. A . H. MacKay in the chair, a number of able addresses and papers, with Resolutions passed declaring that the Course of Study for the schools of the Provinces, the prescribed text-books in use and, as far as possible, the High School examinations and Matriculation examinations should be the same in the three Provinces; that the training in Normal Schools be as uniform as possible and that the licenses of Normal trained teachers who taught successfully for two years in any Province be recognized in the other Provinces.

The Second Session of the 7th Legislature was opened at Fredericton on Mch. 7th by the Hon. William Pugsley, Lieut.-Governor, with a Speech from the Throne which referred to the War and the patriotic efforts of the people, the Provincial increase of food production and promised plans for Soldier Settlements; stated that additional accommodation for soldiers afflicted with tuberulosis would be provided and that the Prohibition Act was proving beneficial owing to Federal cooperation; described the construction of the St. John and Quebec Railway between Gagetown and Westfield as proceeding during the year as rapidly as labour conditions and scarcity of material would permit; mentioned the report of John Hall as to Provincial Health conditions and promised Legislation based upon his conclusions with another Bill based upon the views of the Workmen's Compensation Commission. The Address was moved by Dr. J. E. Hetherington, Queen's, and J. E. Michand, Madawaska, and passed without division on Mch. 12th. The legislation of the Session included a Bill for improving the Highways by dividing them into two classes—truck roads and branch roads—with Government appointment of supervisors for the former and their election for the latter and annual publication of accounts, statute labour to be optional, poll-tax to be increased to $2.00 and a patrol system to be established; a measure providing for Compensation to Workmen based upon two Reports by a Commission appointed in 1917 and composed of F. J. G. Knowlton (Chairman) J. B. Cudlip, L. W. Simms, J. L. Sugrue and F. W. Daley with the liability for accident placed upon the industry and not the employer, the amount payable to any one person limited to $3,500, provision for first medical aid, application to all the chief industries of the Province but not to salesmen, clerks, civic or casual employees, compensation not to be paid in cases of wilful negligence or misconduct, partial disability payments to be based on 55 per cent. of average earnings.

Other Acts provided for incorporation of villages, for the Taxation of Wild Lands, for Prevention of Forest Fires, for Stimulating Food production. There was a Bill respecting Vocational Training which provided for a Board of Technical Education, cooperation with municipalities in establishment of special schools to

the extent of one-half the net cost of maintenance up to a total of $50,000; a Bill authorizing the funding of the Public Debt and issue of $1,000,000 of 6 per cent. debentures free of Succession duties; an Act to recover moneys "illegally or improperly withheld or retained" in respect to the St. John Valley Railway and to declare such moneys the property of the Crown; a measure to provide, by borrowing $500,000, for constructing permanent highways and another imposing taxation on theatres, moving pictures, etc.; a Bill ratifying the grant of $10,000 re Halifax disaster and adding another $15,000, if required; another renewing the Patriotic Fund assessment upon Municipalities which had realized $518,000 in 1917 and was expected to bring in $400,000 this year. The Hon. J. A. Murray (Opposition Leader) introduced a Bill granting the franchise to women but the Premier asked its withdrawal and this was done after Mr. Foster had intimated that such a measure interfered with the rights of the Crown and that he had advised the Lieut.-Governor to disallow it if the Bill should pass. It may be added that the Conservative members of the House numbered 20 and the Government supporters 27. The House was prorogued on Apr. 27th after passing a Bill for investigation into certain charges against the Speaker—Hon. William Currie.

These charges were made on Apr. 22nd by Hon. J. B. M. Baxter, K.C., and were, in brief, based upon an affidavit of Archibald Murchie, a dismissed lumber scaler of the Crown Lands Department, declaring that Mr. Currie when Manager of the Continental Lumber Co., and member-elect of the Legislature, had advised him (Murchie) to keep his report on lumber cut by the Company at a reduced figure and that, as a result, the statement rendered the Department had been 2,165,290 feet less than the real cut and the Province thus deprived of about $4,000 in stumpage dues. Mr. Currie denied the statement as did D. Richards, President of the Company; the Government appointed James H. Friel as Royal Commissioner and the investigation lasted some months. On Oct. 4th Mr. Friel reported at great length to the general effect that the Speaker had no collusion with Murchie in the preparation of the scale, or report—which was the charge under investigation—but that Mr. Currie knew the stumpage return was short by some millions of feet and that it meant a loss to the Province of $4,000. Mr. Friel found, therefore, that "the charges are unfounded and absolutely disproved and that Hon. Mr. Currie is innocent of the things that Murchie swore against him." Mr. Currie stated in defence that criticisms were based upon a system which he and others had helped the Government to amend.

The Valley Railway went through more phases of its checkered career in 1918. On Mch. 15th the St. John and Quebec Railway Co. reported the line as completed from Centreville to Gagetown and the work paid for at a total cost of $4,495,544; an arrangement had been made for the joint use of the Government Railway terminals at Fredericton with the Company paying $22,012 per annum for the privilege; the Railway was under operation by the

Canadian Government Railways which paid the Company 40 per cent of the gross receipts or $75,407 to date; the line between Gagetown and Westfield was expected to be finished during the year at a cost of $2,420,000; the officials of the Company at this stage were Hon. W. P. Jones, K.C., President, G. O. Foss, Chief Engineer and E. S. Carter, Secretary. At the beginning of the year an investigation of the affairs of this Railway under the preceding management and construction work of A. R. Gould, President of the original Company, and as to its relations with the Flemming Government in particular, was under way by Commissioner J. M. Stevens, K.C., who, since Apr. 4th, 1917, had been conducting an elaborate inquiry into the whole complicated subject. Many well-known people testified, campaign funds were probed, Railway construction companies analyzed in every detail of their operations, politicians more or less involved in various matters of evidence which were made sensational and sometimes twisted for political purposes.

Finally, on Jan. 30th, Hon. W. P. Jones, Counsel for the Government, stated that four men would be prosecuted for conspiracy and an attempt made to get back the $100,000 said to have been abstracted between the Company and the late Government. The men involved and from whom restitution was to be sought were ex-Premier J. K. Flemming, who, while head of the Government, was alleged to have converted $100,000 of Railway funds to his own use; W. B. Tennant, alleged to have acted as middleman between the Government and the N. S. Construction Co., the successful tenderers for the contract of constructing the road, and to have accepted $133,000 part of which, it was claimed, found its way to the Election campaign fund of the Government; Thomas Nagel, lumber merchant, and Macdonald and Lindsay, members of the N. S. Construction Co. In Flemming's case he would be asked to return the $100,000 and in case of failure action taken in the Courts for its recovery. In the case of Tennant, Nagel, Macdonald and Lindsay, proceedings, if necessary, would be taken under the Criminal code for conspiring to prepare false tenders and secure for themselves large profits.

Mr. Stevens' Report on Feb. 21st found that various sums of $100,000, $20,000 and $13,000 had been paid by the N. S. Construction Co. to William B. Tennant; that $20,000 had been paid by Tennant to Thomas Bell, Treasurer of the Conservative organization and most of the $13,000 expended in the succeeding Elections; the disposition of the $100,000 was not mentioned nor was the name of J. K. Flemming; the late Government was not directly involved, according to these findings. Mr. Jones, however, in addressing the Commission on Jan. 30, had revived the statement that A. R. Gould had paid Mr. Flemming this amount for the Government guarantee of a Loan and that the, then, Premier had kept it for his own use; he alleged, also, that the $100,000 unaccounted for by Tennant had gone into the Election campaign of that year. On Mch. 15th Hon. H. A. McKeown, Chief Justice of

the King's Bench, reported as to the Arbitration with which he had been entrusted on June 7th, 1916, regarding claims against the Province of A. R. Gould and his associates when controlling the St. John and Quebec Railway Co.

He reported as to the Gould-Flemming matter that during the cross-examination of Mr. Gould by F. B. Carvell, in 1917, it was disclosed that a very large sum of money, viz., $100,000 had changed hands after the contract was practically agreed upon between the Railway Company and the Government, and before such contract was signed: "The Government must in all matters deal through responsible Ministers who stand in the relation of Directors managing the various branches of the public service. Unfortunately it transpired that, for the purpose of advancing his own interests, Mr. Gould paid to the Hon. Mr. Flemming, then acting for the Province, this large sum of money—most of it to him personally, the balance to his order. The circumstances under which this money was paid are not clear. I have simply Mr. Gould's evidence, as to the cause which led him to offer this bribe. Mr. Gould represents the payment as practically forced from him. I am not sure that this is so." As to the Gould claims against the Government the Chief Justice reported:

1. That the Government carried out all its obligations arising under and out of the contract between the Province and the Railway Company.
2. That the Railway Company defaulted in its obligations under said contract.
3. That the defaults so made were of such a nature as to justify the Government in terminating the contract and in taking over the stock of the Company.
4. That the claimants have no rights which should be recognized or enforced in any Court or before any arbitrator, because the contract is void by reason of the act of bribery, for the building of the road, between the Province and the Railway Company.
5. That neither in law nor in equity is there any amount whatever due from the Province to the said Arthur R. Gould and his associates under the claims filed and investigated by me.

During the Session the Government obtained legislation enabling the Province to enter suit against Flemming, Tennant and Nagel and, at the close of the year, cases were before the Courts against Mr. Flemming for the recovery of $100,000 and Mr. Tennant for $133,000. The so-called Potato scandal of 1915 under the late Government and in connection with the Provincial gift of potatoes for Belgian relief, etc., was a subject of renewed discussion in 1918 with the appointment on Sept. 15 of James McQueen, K.C., Shediac, as a Royal Commissioner to investigate the sale of potatoes by the firm of A. C. Smith & Co., acting as agents for the late Provincial Government and the payment of $32,681.39 credited to that firm. It was alleged that the accounts of the Auditor-General for 1915 showed the payment of a large portion of this amount to certain dealers, who afterwards stated that they did not receive any potatoes from A. C. Smith & Co. in that year. It was also alleged that the accounts of the Auditor-General showed the amount

as paid by A. C. Smith & Co. in cash, but it was now claimed that payment was made by a four months' note which, at maturity, was not paid by Smith but by funds transferred from Moncton by a party not named in the allegations.

It was also claimed that there existed a relation between the payment of this note and the withdrawal of $40,000 from a bank in St. John by W. B. Tennant on or about May 29th. More potatoes were bought than were required and they were sold at a loss of $33,000 which apparently, was made up by a payment from the Government's campaign fund under direct contribution from Mr. Tennant. G. B. Jones, ex-M.L.A., Rev. J. B. Daggett, formerly Secretary of Agriculture, F. W. Sumner, Hon. B. Frank Smith, M.L.A., ex-Minister of Public Works, Hon. J. A. Murray, M.L.A., late Premier, W. B. Tennant, Hon. J. B. M. Baxter, M.L.A., all testified during the inquiry and it seemed clear from the evidence that the late Government did not want the loss to be known on the verge of an Election, that they arranged through intermediaries to make the amount good to the Province and that it was paid out of a cheque from Mr. Tennant for $61,500 with the difference going into specified campaign expenditures.*

Another matter of controversy was the request of the N. B. Power Co. which controlled the St. John Street Railway and the Eastern Electric Co. for the right to advance its rates. A Report to the St. John City Council by R. A. MacIntyre, C.A., showed that the concern had assets of $5,549,513, capital stock and liabilities of $5,231,000, a current surplus of $61,632, net profits during the past four years averaging $122,000 yearly with the gas department showing a loss, the street railway a slight profit and earnings coming chiefly from electric lighting and power. The Company claimed the situation to be serious owing to advancing costs of operation; it brought the matter to the Public Utilities Commission and asked permission to raise street railway fares to 6 cents and increase gas and electric rates; a Bill along these lines was presented to the Legislature while the City of St. John asked for a Royal Commission to investigate the Company's affairs. The latter request was granted and on June 6th Guy W. Currier, ex-State Senator of Massachusetts, Henry Holgate, an eminent Montreal engineer and Prof. A. S. Richey of the Worcester (Mass.) Polytechnic Institute, were appointed a Commission under agreement between the Premier and Opposition Leader. The Commission began its sittings at the end of June and on Sept. 9th a temporary increase was granted—a six cent street car fare, an increase in the price of gas to $2.00 per 1,000, increases running from 20 to 26 per cent. in electric lighting rates and from 16 to 37 per cent. in the rates for electric power.

The War efforts of New Brunswick were continued throughout 1918. In April the Educational Department stated that not 200 male teachers were employed in the schools and that none of these

*Note.—The Report was not made public till 1919.

were eligible for Overseas service. Each school section had been advised to "keep a record of the heroes native to its soil so that in due time local memorials to their glorious career may be set up for the inspiration of future generations." The Provincial Red Cross under Lady Tilley's supervision had done splendid work with 1,495 boxes sent forward during the year containing 47,737 knitted articles, 33,467 garments for hospital wear, 33,670 articles of linen and bedding, 4,302 surgical garments and 9,165 assorted packages. The Y.M.C.A. Fund was over-subscribed with $118,105 collected; the Ladies Natural History Society of which Mrs. J. A. McAvity was President, gave much time and work to Sphagnum moss grading; Government House, Fredericton, was devoted to Hospital work under the Dominion Commission; the Soldiers' Comforts Association of which Mrs. H. A. McKeown was President, reported receipts of $19,609 and a total shipment of 22,467 pairs of socks to the Front with many other parcels; 80 Girls' Home Efficiency Clubs, organized under the auspices of the Education Department, conserved in one season 50,000 quarts of food in their homes and made 5,000 Red Cross articles; the Victory Loan Committee with T. H. Estabrooks as Chairman and an objective of $11,000,000, raised over $16,000,000.

The Provincial Government, on Sept. 17th, in a letter from the Premier, Hon. W. E. Foster, to the G.W.V.A., announced its policy as to Land Settlement: (1) For those who desire to take up settlement on what are known as Crown Lands, we will provide 100 acres, free, from those lands which have been classified as most suitable for agricultural purposes; (2) to those who desire to purchase an improved farm we will furnish information concerning available farms and will effect necessary financial arrangements for purchase of same, repayable in installments as will best suit the conditions of applicant; (3) for those who may be suffering from some disability and are unable to take up farming upon any extensive scale we propose, upon receiving requests from a sufficient number, to purchase, as a beginning, two tracts of land of 1,000 acres each, one in a French district and one in an English district, as close as possible to a large centre of population and these tracts of land will be sub-divided into, say, 10 and 20 acre plots with buildings erected and improvements made by a loan to be obtained from the Dominion Loan Board. During the year C. R. Kerr, brother of Chipman Kerr, V.C., was killed in action as was Lieut.-Col. A. E. G. McKenzie, D.S.O., 26th Battalion; much local pride was felt in the career of Lieut.-Col. G. Randolph Pearkes, M.C., V.C., who had risen in the War from the rank of private; Commander J. M. Gilchrist, of Zeebrugge raid fame, was a New Brunswick boy as was Lieut. Roland Storrs, appointed British Governor of Jerusalem; Maj.-Gen. H. H. McLean, M.P., heard in December of the election of his son, Col. C. W. Weldon McLean, D.S.O. and 2 Bars, to the British House of Commons.

New Brunswick was prosperous during the year. Prices were high for all kinds of products, farm properties were in greater

demand and many farms at the end of the year were withdrawn from the market, factories had more orders than they could fill and wages remained high, the ship-building programme of the Dominion Government kept the yards busy and three new ones were started at St. John while the Government drydock and ship-plant was well under way there, with an expenditure of $7,000,000 involved; the coal mines' output of Queen's doubled during the year, and new capital was invested in their further development. Incidents of the year included the declaration of the N. B. Temperance Alliance (Dec. 4th) that the use of alcohol was not only valueless as a medicine, but positively injurious and especially so in cases of Influenza; the warm reception given to H. E. the Duke of Devonshire at Fredericton and St. John and his attendance (Dec. 3rd) at a special convocation of the University; the Resolution of the N. B. Historical Society unanimously urging a change in the name of the Province to Acadia as the origin of the existing name was German; the celebration of the 100th Anniversary of the birth of Sir Leonard Tilley by unveiling a Memorial laurel wreath upon his monument at St. John with addresses by the Lieut.-Governor and Chief Justice and his only son, L. P. D. Tilley, M.L.A.; the formation of a N. B. Lumberman's Association with W. B. Snowball, Chatham, as President; the taking into the National Railway System of 4 small Provincial lines—the Salisbury and Albert, the Elgin and Havelock, the Hampton and St. Martin's, the New York and Carleton. The following were the chief Government appointments of the year:

Secretary for Agriculture	E. P. Bradt, B.S.A.
Secretary of Public Works Department	Peter Hughes
Provincial Apiarist	Leonard T. Floyd
Judge of Probate for Albert County	F. M. Thompson
Judge of Probate for Victoria	C. H. Elliott
Judge of Probate for Charlotte	George M. Byron
Provincial Bacteriologist	Dr. H. L. Abramson
Stipendiary Magistrate for Carleton	Frank B. Kelley
Police Magistrate of Shediac	L. P. Cassidy
Police Magistrate of St. Stephen	C. N. Vroom
King's Counsel	A. George Blair

Prince Edward Island in 1918. An important event of the year was the inauguration of a car-ferry service between the two nearest points of land—Port Borden and Cape Tormentine—a distance of 11 miles. Practically, this connected the Island and mainland by rail with a standard gauge track constructed so that freight could be conveniently transferred from the smaller Island cars to the larger ones in use on the Government Mainland Railways. The success of the steamer placed on this service in its first winter was marked; it overcame the heaviest ice-flows and made two trips daily with an excellent refrigerator-car service for the fruits, dairy, and farm products of the Island. The cost, however, of transferring freight from, or to, the narrow gauge of the P.E.I. Railway from or to the broader one of the mainland was about $60,000 a year and the Government pressed the Dominion authorities at this time for a share in the current appropriation of $40,000,000 for rails and rolling stock in National Railways so that the Island gauges might be widened. A Delegation went to Ottawa in April and pointed out that, in 1911, 2,465 steamers and sailing vessels,

had cleared from Charlottetown while, in 1917 this was reduced to 1,694. The old-time fishing vessel traffic had ceased and the famous fleet of coasting vessels had vanished. They declared that the only solution was standardization of the gauge.

Lobster fishing continued to decline on the coasts, many canneries closed down and many fisherman turned to catching cod at about $30 a day. An educational campaign was inaugurated and the fishermen urged not to catch the young lobsters—a method which threatened to destroy the whole fishery. The Fox industry reached its level during this year with establishment on something like a substantial basis. About 3,000 pelts, valued at $450,000, were sold from Island ranches up to June; the Board of the Fox Breeders' Association, handling 50 per cent. of the Island production, sold it all in the American market at higher prices than in 1917 and urged the Government to establish a Registration system and to issue instructions for maintaining the health of the animals; the well-known Charles Dalton Silver-Black Fox Co. had to go into liquidation because the parent foxes so frequently killed their young; other concerns were not so unfortunate and at the close of 1918 about 5,500 pelts, worth $1,000,000, had been sold—the biggest output of skins since the industry started. A new industry was promised in Beaver skins—two pairs of these animals imported by the Government 8 years before having increased to about 2,000 with the Mt. Albion Fur Co. Ltd., as the largest owners.

Taken as a whole the Province was prosperous at this time with part of the crops well in advance of 1917: Wheat $1,344,000 compared with $1,091,000; Barley, peas, buckwheat, mixed grains also showed increases; hay and clover were $4,732,800 compared with $3,869,000. There were reductions in Oats from $5,185,000 to $4,535,000 and in potatoes from $4,594,000 to $3,378,000. The total value of Field crops in 1918 was $16,274,000 (Federal figures) compared with $16,527,000 in 1917 for a population of less than 100,000. The Co-operative movement made considerable progress as indicated in the establishment of Farm Products Ltd., an outgrowth of the Egg and Poultry Co-operative Association. The latter handled eggs and poultry only, on the co-operative plan, but the enlarged organization handled all kinds of farm products.

The Provincial Legislature, in its 38th General Assembly, was opened on Mch. 28th with Hon. A. E. Arsenault as Prime Minister and Hon. A. P. Prowse as the new Speaker. The Speech from the Throne promised amendments to the Prohibition Act conforming with the new Dominion Statute, some changes in the Election law and in the School Act, and further provisions for assisting farmers in under-drainage of the land. The Address was moved by G. D. Stewart and Dr. R. J. Macdonald while J. H. Bell, K.C., remained Leader of the Liberal Opposition. Both parties were agreed as to the widening of the Island Railway gauge and the chief legislation of the Session was a strengthening of the Prohibition Act in a measure which contained 186 clauses and about 15 schedules and was framed at the request of the Commission appointed by the Government in 1917 to enforce the Act, and in whose hands the enforcement was still to remain. The announced object was to make an Act as nearly perfect as possible, and they took as their basis the most advanced Temperance legislation in Canada and the United States. A vital change in the new Act, over the old, was the appointment of vendors who were to take the handling of liquor entirely away from the druggists. The latter were not allowed to keep it for any purpose whatever, except as it might be used in the manufacture of essences, tinctures, etc. Provision was made for importation by one wholesale vendor. Another change was in the appointment of Inspectors to inspect all of the premises or any business carried on under the Prohibition Act, and they were given practically unlimited power. More control was taken over prescriptions issued by physicians, right of search was enlarged, the sale of patent medicines, tonics, etc., was regulated, the Police were given power to arrest an intoxicated man and compel him to state where he got the liquor. All those who had filled their cellars before the Federal Order-in-Council were compelled to dispose of their stock before

July 15th when the new Act came into force and, on Sept. 30th, Clubs were brought, by Proclamation, under the Act.

The Legislature was prorogued on Apr. 26th after passing other measures which included a Daylight Saving Act; the appointment of a Commission to promote uniformity of legislation in Canada; the Taxation of owners of fox-pelts and foxes in $1.50 for every $100 of income derived from such sales and a general regulation of the industry; a Town Planning and Development Act and one for the Protection and regulation of the Beaver industry. Mr. Arsenault attended the January Conference at Ottawa and endeavoured during the year to effect uniformity in the school books of the Maritime Provinces with reciprocity in teachers and teaching standards; the Island subscription to the Victory Loan was $2,900,000 or $400,000 beyond the objective.

Position and Progress of Manitoba in 1918.

The Hon. T. C. Norris, Premier of Manitoba, and his Government, stood for two distinct principles during this year. One was Provincial support, in every possible direction, of the War and war activities; the other was belief in Union Government during wartime as a Dominion principle though not one of application to the *personnel* of Provincial Governments. Speaking in Winnipeg on Jan. 8th he touched the spirit of the West in these words: "We are war-weary but not disheartened. We have helped to bear the brunt of the international conflict for the past 3½ years and with a stout heart and a firm conviction of our ability to work out our own salvation we can face the future without flinching." As to the second point he declared on the 10th that he did not propose to have a Union Government in Manitoba though he had recently campaigned for one at Ottawa: "My Government has never regarded itself as a party Government. As some previous speakers have said, many thousands of Tories helped to elect us. We have never adopted the spoils system; we have opened our tenders in public and let contracts in a fair, open and upright manner; by pursuing this course, we have lost a few old party friends."

There was a Provincial bye-election in progress at this time in North Winnipeg vacated by R. A. Rigg (Lib.) to run in the 1917 Federal election and the seat was contested by Robert Jacob as a Unionist and Norris candidate, and E. R. Levinson (Ind.), who had stood in 1915 as a Conservative. Mr. Jacobs was elected on Jan. 15th by 2,923 against 2,351 out of an electorate of 14,000 votes. Mr. Norris spent two months of the summer in England and at the Front and on his return told the Winnipeg Kiwanis Club (Aug. 15) that the British Navy had "kept the seas for freemen" and enabled 1½ million United States troops to get across with hardly the loss of a man. He declared British efficiency to be infinitely greater than that of Germany. As to Vimy Ridge: "It was impossible to take it so the Canadians took it." In September the Premier visited the new North-western portion of Manitoba where development had been going on so rapidly and spoke at Swan River and other points; at Ethelbert an Address from 100 Ukrainian children was presented full of Canadian pride and loyalty. Mr. Norris returned from the November Inter-Provincial Conference at Ottawa

with the declaration (Nov. 30th) that the Provinces would co-operate with the Dominion Government in demobilization while a Dominion system of interlocked employment bureaux, Federal and Provincial, was under advisement. Later on it was put in operation. An important statement early in the year (Jan. 22nd) was that of Hon. T. H. Johnson, Attorney-General and Acting Premier, declaring that the Direct Legislation Act of 1916, which had been declared *ultra vires* by the Manitoba Courts, would go to the Privy Council for final adjudication.

There were a number of important Government Commissions under operation during this year. The Manitoba Farm Loans Association had a Board composed of Lachlan McNeill (Chairman), F. C. Hamilton and George Anderson, Winnipeg, D. D. McDonald, Dauphin and J. S. Wood, Oakville, with A. R. Tomlinson as Secretary. It operated under legislation which provided that persons residing or intending to reside on land within the Province could obtain through the Association, on first mortgage security, loans up to 50 per cent. of the appraised value of the property offered, extending over a period of 30 years at a rate of interest not exceeding 6 per cent. per annum, repayment being made on an amortization basis by equal annual payments composed of principal and interest. It also provided that every borrower should become a shareholder in the Association by investment in its capital stock of an amount equal to 5 per cent. of the sum borrowed, and none others but borrowers and the Province of Manitoba could hold such shares. According to a statement by Hon. Edward Brown, Provincial Treasurer, loans had been made by the close of 1918 to over 800 farmers with a total of $2,000,000 advanced and only 9 borrowers in arrears. The Government claimed that this system was not competitive so far as Loan Companies were concerned; there were over $75,000,000 invested by the latter in Provincial farm properties and the Government merely desired to restrain them so that the farmers could get money at a reasonable rate. Incidentally the plan promoted the production of food.

So, very largely, with the Rural Credits system which aimed to work through locally-formed Societies numbering not less than 35 farmers in each with subscriptions of not less than $3,500 upon which 10 per cent. was to be paid up. These Societies were incorporated and organized for the purpose of obtaining and guaranteeing repayment of small Government loans at not more than 7 per cent. interest to the local Society—the latter through its Directors lending to individual farmers at not more than 8 per cent. The money was to be used as follows: For the purchase of seed, feed and other supplies, of implements and machinery, of cows, horses, sheep, pigs and other animals; for the payment of the cost of carrying on any farming, ranching, dairying or other like operations and the cost of preparing land for cultivation; for the general assistance of members in purchasing supplies and selling products and to promote co-operation for the improvement of conditions of farm life. After

organization of a Society the Government and the Municipality each took one-half the total membership subscriptions of stock. There were 19 Societies organized by October, 1918, with an authorized capital of $20,000 each and to 10 of them Loans had been granted totalling $200,000; back of the capital were the assets of the farmers who, for instance, in the Roblin case, were worth $650,000 with only $47,000 loaned to individual members. G. W. Prout, M.L.A., was the originator of this successful bit of Western legislation; in October the Government appointed V. E. A. Weir, B.S.A., as Agricultural Director with the organizing work under his charge.

Under the Mothers' Allowance Act of 1916 a Commission had been appointed composed of E. D. Martin, (Chairman), George Fisher, J. H. T. Falk, Mrs. John Dick and Mrs. T. R. Deacon. The object was to help women left alone, without means, to bring up their families and the first year's Report showed an expenditure of $31,982 obtained by a one-half Government contribution and the balance by a *pro rata* levy on Municipalities. The Commissioners decided to limit the payments to widows and women whose husbands were confined in insane asylums; they decided also not to consider applications from women with only one child unless there were special circumstances; the families under allowance were 129 at the close of the first year's operation. By the Narcotics Act of 1918 which regulated the use of drugs, etc., administration was put under the Attorney-General and a Commission appointed for control and management composed of Dr. B. J. Brandson, (Chairman), Dr. N. K. McIvor and M. B. Rombough, V.S., with Dr. B. J. McConnell as Secretary and H. C. Phillipps, Inspector.

The Public Utilities Commission, P. A. Macdonald, Commissioner, submitted a Report in February containing financial statements of the Utilities in the Province—the largest being the Winnipeg Electric Street Railway, the Greater Winnipeg Water District, and the City of Winnipeg. The Report dealt with formal applications, summaries of decisions, and orders made thereon, with inquiries held on the Commission's initiative and those held at the request of others. It covered mining prospectuses and the advertising work of new Companies; it handled such subjects as water-power rights and privileges; it dealt with the borrowing powers of Utility companies and the establishment of a uniform accounting system. The Provincial Health Board report for 1917 showed a remarkable record of work accomplished—in the Bacteriological laboratory under Dr. Bell, in the efforts of a group of nurses under a co-operative system in which the Government, municipalities and schools each paid a share, in Child welfare and tubercular cases at Ninette Sanatorium. In 1918 excellent work was done in the conduct of affairs during the Influenza period. Under current legislation another Commission was appointed in July with E. M. Wood as Chairman, to inquire into the whole question of Taxation within the Province. It represented the chief elements in the population as follows:

The Provincial Legislature	Hon. Edward Brown; J. W. Breakey
The Government of Manitoba	E. M. Wood; L. W. Donley
The Manitoba Grain Growers	Peter Wright; W. R. Wood, M.L.A.
Union of Municipalities	D. D. McDonald; Robert Forke
The City of Winnipeg	Ald. Frank Fowler; Ald. H. Pulford
University of Manitoba	Prof. A. B. Clark
Board of Trade	W. J. Christie; J. H. Parkhill
Labour Party	E. Robinson
Real Estate Exchange	W. H. Gardner
Retail Merchants' Association	J. H. Curle
Suburban Municipalities	Reeve J. Fielde
Canadian Manufacturers' Association	N. M. Warren

A word must be said here as to the 1st annual Report of the Public Works Department under Hon. G. A. Grierson as Minister—for the year ending Nov. 30th, 1918. The new Parliament Buildings were nearing completion with $2,500,000 costs certified by F. W. Simon, Architect; the installation of a high tension electric distribution system at the Central Power-house was completed and arrangements made to serve all the larger public buildings; preparations were under way for a group of buildings for the Manitoba School for the Deaf. A. McGillivray, Chairman of the Manitoba Good Roads Board—with T. R. Deacon, Winnipeg and C. E. Ivens, Virden, as the other Commissioners—reported much progress in better roads to Mr. Grierson. He stated that 27 miles of the Winnipeg-Portage highway were graded and 141 miles of the route from Winnipeg across the Province to the West completed or under construction; that 50 Municipalities had taken advantage of the Good Roads Act with 14 of them issuing debentures and constructing comprehensive and adequate systems of highway; that 39 were doing work on market road systems and that the Government assumed 66 2/3 per cent. of the cost of construction (bridges, culverts and roads), with maintenance borne entirely by the Municipalities. Under this Minister were the drainage systems of the Province, the operation of elevators and steam boilers, the Labour Bureau, Hospitals and Asylums and various charitable Institutions. He also administered the Factories Act with its care for the safety and health of employees, sanitation and accidents, and child labour.

Mr. Grierson also had supervision of the Minimum Wage Board, a product of some interesting 1918 legislation. It dealt with women only and was based in local advocacy upon statistics which seemed to show that it cost an average working girl in Winnipeg $8.54 per week to live while the average wage was $7.50. The Hon. T. H. Johnson carried the Bill through the Legislature and it provided for a Commission of five persons—three men and two women—to fix minimum rates of wages in various industries and in various districts in which those industries were situated. Two of the Commissioners—one man and one woman—were to represent the manufacturers and be nominated by them; two more—also one man and one woman—to represent the labour interests; the Chairman was named by the Government. The Labour members and some others fought for a definite and fixed minimum but this was left

to the Commission. It was appointed as follows on Apr. 9th: Mrs. Edna M. Nash and Miss Lynn Flett of Winnipeg, Edward Parnell and Rev. J. W. MacMillan, D.D., of Winnipeg—the latter being Chairman—and James Winning of St. James. At its meeting on June 10th the Board dealt with laundry workers whose cost of living was put at $9.48 with a fixed weekly minimum wage of $8.50 at Dauphin, $9.00 at Brandon, $9.50 at Winnipeg; later on the food factories were dealt with at rates running from $9.50 to $10.00 a week as minimum—depending on location; Departmental stores and shops were fixed at $12.00 and a large number of industries regulated at from $10.00 to $12.00 as the fixed minimum. In all these cases regulations were issued regarding working conditions and hours of labour.

Other incidents of the year included the granting of six months' leave from Mch. 1st to J. Gordon Steele, Comptroller-General, in order that he might go overseas to organize a financial, postal and parcels-post system for the United States army; the unanimous judgment of the Court of Appeal (Walker vs. Walker) that the Court of King's Bench of Manitoba had jurisdiction to grant decrees of divorce for all causes recognized by the laws of England on July 1st, 1870 and its consequent grant of a divorce in this case; the announcement on Feb. 19th by S. R. Henderson, President of the Manitoba Good Roads Association, that the Province had 1,992 miles of road under the Good Roads Act and that, during the past year, in addition, 1,379 miles of road had been systematically maintained while the expenditure on bridges during the same period had totalled $169,111; the publication of Vital statistics showing only a slight increase in population or a total of 521,748 in 1917 with 14,743 births, 5,125 deaths and 4,049 marriages; a determined Government effort to obtain settlers with an ensuing influx of Hutterites—a sect very similar to the Mennonites and involving similar complications. They came from South Dakota and Oklahoma, purchased 14,000 acres for settlement and were said to have in hand about $7,000,000 of money.

Prohibition, during its two years of operation, was claimed as a success because of the reports of increased retail sales, savings bank deposits, efficiency and regularity of employees and reduced poverty—most of which results the other side contended came from war-time prosperity; the official report as to enforcement of the Manitoba Temperance Act showed 4 wholesale and 152 retail licenses issued to druggists in the year of 1918 with 357 convictions for breach of the law, and $57,858 collected in fines; an official statement was issued that during the Influenza period no attempt was made to construe or administer the Act so as to prevent a physician from prescribing what liquor he might deem necessary for the health of his patients. The Provincial Conservatives still remained without a Party leader though Albert Préfontaine continued as House leader of the four or five Opposition members—with R. W. Craig, K.C., amongst other outsiders mentioned for the Provincial post.

Other incidents included the serious Fuel situation during a part of the year with T. R. Deacon appointed on Apr. 26th as Provincial Fuel Administrator and the opening of the first Child Welfare station in Canada, at Brandon on June 27th, by Hon. T. H. Johnson. Sir James Aikins, Lieut.-Governor, continued his occasional eloquent speeches upon important subjects—a notable one in this year being on "Britain's Day" at St. Paul, Minn.; the appointment was announced of a Provincial Board of Commissioners for the promotion of uniformity of legislation in Canada composed of Isaac Pitblado, K.C., William J. Tupper, K.C., and H. J. Symington, K.C.—all of Winnipeg; the Provincial Insurance Report for 1917—Charles Heath, Superintendent—showed a total in all classes of $8,868,781 Premiums and $3,779,326 Losses. The following Government appointments were made in 1918—one of the most important being the replacing of J. A. Campbell, M.P., as Commissioner for Northern Manitoba:

Librarian, Department of Education	Frederick Neeves	Winnipeg
Registrar of Court of King's Bench	F. A. McDonald	Winnipeg
Commissioner for Northern Manitoba	Prof. R. C. Wallace, M.A., D.Sc., Ph.D.	Winnipeg
Superintendent of Construction for Public Buildings	Eli Denne	Winnipeg
Superintendent of Public Buildings	John McCrea	Winnipeg
King's Counsel	L. J. Reycraft	Winnipeg
King's Counsel	S. E. Richards	Winnipeg
King's Counsel	J. F. Kilgour	Winnipeg
King's Counsel	Edwin Loftus	Winnipeg
King's Counsel	F. M. Burbidge	Winnipeg
King's Counsel	E. A. McPherson	Portage
King's Counsel	J. B. Hugg	Winnipeg
Member of Appeal Board re Public Amusements	J. J. Moncrieff	Winnipeg
Member of Appeal Board re Public Amusements	George J. Lovell	Winnipeg
Superintendent of Amusements	T. A. D. Bevington	Winnipeg
Superintendent of Immigration and Colonization	James A. Bordman	Winnipeg
Provincial Dairy Commissioner	Lorne A. Gibson	Winnipeg
Deputy Minister of Agriculture	James H. Evans	Winnipeg
Deputy Registrar-General	H. W. H. Knott	Winnipeg
Director Workmen's Compensation Act	A. R. D. Paterson	Winnipeg
Director Workmen's Compensation Act	C. W. N. Kennedy	Winnipeg
Director under Hotel Act	W. J. May	Winnipeg
Commissioner of Civil Service	J. W. Fleming	Brandon
Chairman Censor Board	T. A. D. Bevington	Winnipeg

The 3rd Session of the 15th Legislature was opened by the Lieut.-Governor, Sir James Aikins, on Jan. 17th with a Speech from the Throne which referred to the War, the peace which prevailed within Canada, the rich rewards of labour and industry, the valour of Canadians at the Front, the loyal spirit of the Canadian people; emphasized the need for thrift and frugality, the perils of waste or reckless expenditure; spoke of the increased agricultural production of 1917 and the keen interest of the farmers in the coming season and, especially, in larger Dairy production and the campaign for a greater volume of hog products; eulogized the Temperance Act as bringing to the people a cleaner and better life and greater economic efficiency; referred to the success of the Mothers' Allowance legislation, the Public Welfare Commission, the Farm Loans Association and the Rural Credits Act; dealt with the Government Purchasing Department and its successful operation

and promised an Act to permanently abolish patronage. The Address was moved by Capt. A. W. Myles of Cypress and George McDonald, Turtle Mountain, and passed without division.

There was some important legislation during the Session—especially of a social character. A Dower Act was passed which secured to the married women of the Province a life interest in their husband's holdings—in the case of farm women to the extent of 320 acres and of city dwellers to the extent of the home site not exceeding six lots—this interest being secured by the provision that the property should not be sold or transferred by the husband without the consent of the wife and no disposition made by will without leaving at least one-third of the whole estate to the wife. A new Civil Service Act was based upon advice received from Dr. Adam Shortt of Ottawa and it established a Civil Service Commission consisting of one member, to be appointed by the Government, to hold office during good behaviour, but to be removable by the Lieut.-Governor on address of the Legislature. It was to be the duty of this Commission to, among other things, test and pass upon the qualifications of candidates and regulate the division of the Civil Service into six classes, with defined salaries. Competitive examination, preference for returned soldiers in filling vacancies, regulations as to office hours, vacations, leave of absence, permission to vote but prohibition of political action or advocacy, were also provided for.

New taxes were imposed and had become inevitable, as in the other Western Provinces, through the destruction of the Liquor traffic; in Manitoba the loss of revenue from this cause amounted to about $200,000. The Government's programme of educational and social betterment which included increased grants for schools, the assumption by the Province of full responsibility for the University, pensions for widowed mothers, the Labour Bureau and the Public Health propaganda, also required hundreds of thousands of dollars a year. The first of the new taxes, which was expected to yield a revenue of about $750,000, was a levy of one mill on all the rateable property in the Province. Another tax was levied on persons attending places of public amusement and was expected to yield approximately $200,000. This tax was one cent on an admission charge of 10 cents; 2 cents up to 25 cents; advancing until it amounted to 25 cents for a $2.50 ticket. A tax on unoccupied rural land was also provided for and expected to yield a revenue of $60,000; it was a levy of one-half of 1 per cent. of the assessed value, with a provision that no land should be taxed under the Act at a rate higher than 20 cents per acre.

Another Act provided for the establishment of Government employment bureaux as part of a Dominion-wide scheme to conserve and intelligently utilize the labour resources of the country. It involved the closing of all private employment agencies and the setting in operation of Provincial Bureaux—one in Winnipeg, one in Brandon and two or three offices at other points to meet sea-

sonal needs. A Bill was passed providing for the appointment of a Drainage Committee to be made up of members of the House, appointed by Order-in-Council and presided over by a reclamation engineer of international repute, for the purpose of a thorough investigation of the existing system and its tangled administration; the Treasury Act was amended so as to establish the independence of the Comptroller-General's office and to make this official wholly responsible to the Legislature. Another measure had for its object the enforcement of sound business methods in making purchases for the public service by the creation of a Purchasing Bureau and confirmation of the recent appointment of a Government Purchasing Agent; a Bill of Hon. Edward Brown's provided that money secured from the sale of natural resources must not be taken into revenue and spent, but must be ear-marked as an investment for the benefit of the Province.

The Workmen's Compensation Act was amended, radically, to provide for a decrease in the salary of the Commissioner from $7,500 a year to $6,000, for the appointment of two advisers to sit with the Commissioner at adjudicating sessions of the Board, and to dispense with the assistant Commissioner drawing a salary of $5,000 a year. The new Hotel Act was amended to give keepers of hotels in the Province, outside of Winnipeg, the privilege of conducting cafés, ice-cream parlours and beverage counters without payment of an added license. The Hon. Valentine Winkler, Minister of Agriculture, introduced a Bill to provide, during another year, for the loaning to municipalities of limited sums of money for seed grain purposes. A most difficult task was the preparation and passage of a new Winnipeg Charter with Hon. A. B. Hudson as the indefatigable Chairman of Committee and sponsor for the legislation. A large point in discussion was the giving of control in the Jitney business to the City and this was eventually done; another clause permitted payment of taxes in installments. By a different Bill the City of Winnipeg was given power to hold a referendum on the question of the abolition of the Board of Control and the property qualification of aldermen; the Greater Winnipeg Water District Act was amended to permit the City to borrow $4,000,000 on long terms of payment without the consent of the ratepayers of the city though the City Council must first pass a Resolution asking the Government for an authoritative Order-in-Council and could not borrow the money until this was passed.

The War Relief Act extended protection to draftees as well as volunteers serving in the Army against suit for debt and also protected wives, families, trustees and estates of soldiers until one year after the declaration of peace by Great Britain. Other measures reduced the Patriotic Fund Municipal tax from 2 to 1½ mills and extended it from 3 to 6 years; authorized the borrowing of $1,000,000 for the Parliament buildings and empowered the Government to renew Loans at any time and at any rate of interest decided upon; amended the Manitoba Temperance Act to permit the keeping of export liquor only in bonded warehouses—thereby reducing the

number of liquor-storage places in Manitoba to ten; provided in the Public Schools Act that Teachers' Retirement Fund trustees might pay to the executors, or trustees, of a teacher who died while in the service, any moneys paid to the Fund by this teacher during life; amendments to the Fair Wage Act increased the members of the Board to five; and transient traders, peddlars, etc., were compelled to take out a license. Daylight Saving was discussed but not carried—Mr. Premier Norris declaring that it worked a hardship on farmers, on city labourers and, particularly, on school children. The House was prorogued on Mch. 6th by the Lieut.-Governor, who appealed vigorously for increased food production.

The finances of Manitoba attracted some attention in 1918—partly because of the re-organization which had accompanied Mr. Brown's taking control and which was now realizing results in his third year as Provincial Treasurer and partly because of increasing demands and responsibilities. It was contended that the new method of up-to-date Accounting and the creation of a Comptroller-General; the use of a Deferred Revenues' account in which unpaid Succession duties, interest on Provincial lands outstanding, etc., were included; the policy of not treating the sale of Assets, such as land, timber and mineral, as revenue but only the interest therefrom; combined to make an efficient and effective financial system. The Hon. Edward Brown presented a financial statement on Feb. 4th and dealt with the loss of income from the banning of liquor and, through war conditions affecting land receipts, with increased outlays upon educational and humanitarian policies; the need for new taxation and a proposed levy of one mill upon property; the fact that thereafter receipts from lands and other capital sources would not be placed in the Consolidation revenue fund, but kept intact as a permanent Asset; the increase of the Public Debt, in the past three years, which was said to be wholly due to inherited obligations; the surplus Assets which had risen by nearly a million and were $34,000,000 in excess of liabilities.

Mr. Brown stated that since 1915 the bonded indebtedness of the Province had increased $5,000,000 on which the annual interest charge was $250,000; of the total $1,000,000 was to pay the debts of the previous Administration, and $3,000,000 was on account of the new Parliament buildings. The Assets of the Province had risen from $66,500,000 to $70,000,000 in the past year; the estimated revenue for 1917 (Nov. 30th) was $6,665,000 and the actual amount received $6,348,000; the expenditures were $6,997,952. The Balance-sheet of the Province as shown at the end of the year and up to Nov. 30th, 1918, stated Assets which included Cash on hand $2,750,388, Investments of $2,791,625, Secured and other accounts $8,535,119, Land Agreements, Succession duties, etc., $6,616,405, Dominion of Canada indebtedness $12,110,534, Public Works and undertakings (book values) $27,828,277, Drainage and Judicial Districts (net capital expenditures) $6,143,905, Unsold Lands $13,263,566—total $73,422,608. The Liabilities included Treasury bills and accounts $2,900,974, Sinking Funds, etc., $2,475,-

304, Stocks and bonds $33,890,870, with a surplus or excess of Assets over Liabilities totalling $34,238,688. The Revenue of the year as estimated was $7,655,347 and as received $7,631,548; the Expenditures estimated were $7,777,907 and incurred $7,308,680.

The former total included Dominion subsidies, etc., $1,760,035; Fines and Fees, Attorney-General, $356,650; Public Works $162,-175; Interest $866,941 and Succession duties $197,503; Corporation and Railway taxes $540,353; Public Amusements Tax $134,934; Automobile Licenses $236,314; Municipal Tax $625,000 and unoccupied Land tax $137,000; Telephones $2,003,307. The expenses included $161,000 for Legislation, $1,162,873 for Education, $585,-131 for Agriculture and Immigration, $1,541,236 for Telephones, $1,263,793 for Public Works. The Surplus was $322,867. During the year Mr. Brown and the Government were criticized by the Conservative press for increasing appropriations without Legislative sanction and issuing special warrants in 1917 to an alleged total of $634,541; in the House on Feb. 8th Mr. Brown admitted that, in connection with the Farm Loans Association, the Government was borrowing money at a yield of 8 per cent. and lending it to the farmers at 6 per cent.—in order to promote production; on Feb. 5th the Treasurer declared his belief that the Dominion Government was going to transfer the natural resources to the Provinces in this year—involving for Manitoba, alone, the control of 26,000,000 acres of forests, fisheries, water-power and agricultural lands. It may be added that the Government securities issued up to Nov. 30th, 1918, included the following:

Manitoba Government Stock	$ 8,323,123.37
Provincial Debentures	23,498,893.31
Drainage Debentures	1,897,853.66
Municipal Telephone Debentures	171,000.00
Total	$33,890,870.34

Despite war conditions Education advanced steadily in Manitoba during 1918. The Report of the Minister, Hon. Dr. R. S. Thornton, for the year ending June 30th, showed 109,923 pupils in the schools or an increase of 33,000 with an average attendance of 69,968 or an increase of 7,700; there were on that date 1,645 schoolhouses and 3,097 teachers—524 of the latter being males and 2,573 females with 351 1st class, 1,603 2nd class and 849 3rd class; the average teacher's salary for the Province was $794, the average for cities and towns $962, the rural average $678, the highest salary in Manitoba was $3,600, the highest rural salary $1,000; the total Provincial expenditure on Education was $1,117,071; the Honour Roll in 1918 included 11 from the staff of the Department with Major C. K. Newcombe and Major D. M. Duncan as well-known names and 147 teachers on active service. During the year the Legislature extended the franchise to married women in school matters for rural, village and town school districts, and provided that rural schools should be absolutely free to pupils in the elementary grades. The latter provision enabled a child in the country

to attend the nearest school and thus added largely to the school life of the Province.

There were on June 30th, 83 consolidated schools in Manitoba with 11,514 pupils enrolled and an average attendance of 71 per cent. In addition to the Departmental expenditures mentioned above the Government spent $180,272 on the Agricultural College, $244,350 on Neglected Children, $48,463 on the School for the Deaf and $32,667 on the Industrial Training School. The usual Empire Day pamphlet was issued by the Department with a special pride expressed in those splendid products of Manitoba Schools—Barker, V.C., Brereton, V.C., Clarke, V.C., McLeod, V.C., Mitchell, V.C., O'Kelly, V.C., Shankland, V.C. Speaking in the Legislature on Jan. 24th, Dr. Thornton dealt with the progress of the past year and stated that on Mch. 1st certain regulations were passed requiring all teachers in the Province to take the oath or declaration of allegiance and providing that all future students in training at the Normal Schools should take the same declaration before receiving their diplomas. No permanent license would hereafter be granted to any teacher who was not a British subject by birth or naturalization.

In an address on Mch. 11th the Minister stated that special attention was being given to the increasing school population: "New Schools have been built and old ones added to, so that over 4,000 children who previously had never been in school are attending daily. These improvements were made rapidly—112 schools have been built in the 112 weeks of this Administration and teachers installed to meet requirements. So with non-English districts every effort is made to educate and nationalize the children." Dr. Thornton gave a number of thoughtful addresses during the year and as to this Foreign problem stated on Oct. 7th that: "In Winnipeg one school has pupils of 24 different nationalities. The 1916 census showed that 42 per cent. of the population of Manitoba was of non-English speaking origin and represented 28 different nationalities." It was found that the appointment of Ira Stratton by the Government to supervise education in the foreign settlements—as Official Trustee—had been most effective in solving Bi-lingual difficulties; the Hutterite settlers of 1918, after various complications, stated in October that they would obey the School law. Other incidents of the year were the 12th Convention of Manitoba School Trustees (Feb. 26th) and re-election of William Iverach of Isabella as President; the 13th annual meeting of the Manitoba Educational Association at Winnipeg on Apr. 2nd with 850 delegates present and many valuable addresses; the Convention on June 24th of l'Association d'Education des Canadiens-Francais de Manitoba with 200 delegates in attendance, Judge Prud'homme in the chair and addresses by Archbishop Belliveau and others; the statement by Ira Stratton on Aug. 20th that there was no difficulty in getting teachers for Manitoba schools.

The University of Manitoba experienced, in 1918, its first year under the new governing body created by legislation and its formal

transfer into a State institution. The Board of Governors consisted of nine members appointed by the Government; the Minister of Education was to yearly submit a budget of anticipated revenues and proposed expenditures; the affiliated Colleges were those of St. Boniface, St. John's, Manitoba, Wesley, Manitoba Medical, Manitoba Law and Manitoba Agricultural; the Chairman of the Board of Governors was Isaac Pitblado, M.A., K.C., the Vice-Chairman J. A. Machray, M.A., K.C., the Chancellor Most Rev. Dr. S. P. Matheson, the Vice-Chancellor Rt. Rev. Mgr. A. A. Cherrier, the President Dr. James A. MacLean. The students in attendance toward the close of 1918 were 927 of whom 403 were in Arts, 20 in Science, 58 in Engineering, 227 in Medicine, 54 in Law, 25 in Agriculture, 18 in Home Economics, 12 in Architecture, 9 in Pharmacy and 172 in Evening courses. Early in the year the University introduced a programme of Extension work in co-operation with the Agricultural College, the Normal School and Inspectors of the Province. At the annual Convocation on May 10th, 90 graduates in Arts, Science, Law, Pharmacy and Agriculture received their degrees; President MacLean stated that 50 under-graduates had made the supreme sacrifice in the War and 75 won Honours or mention in Despatches; for the first time English was used in conferring degrees in place of Latin. During this year, after a long period of agitation and discussion, Latin was removed from the obligatory subjects (Dec. 3rd) upon adoption of a Report from the Special Committee under chairmanship of Major D. M. Duncan; it provided a revised scheme of High School studies for Arts matriculation which permitted a student to enter the Arts course of the University with a knowledge of but one language other than English—this language to be either Latin, Greek, French or German.

Of the associated Colleges Wesley, representing the Methodists, had a year of much activity with J. H. Ashdown as President of the Board and Rev. Dr. J. H. Riddell as Principal. The latter reported on Apr. 9th that the deficit of $10,000 yearly had been eliminated by rigid economy and that Mr. Ashdown had offered one third of the Debt of $30,000 if the balance were contributed by others. These subscriptions were obtained during the year and in December a campaign was started for an additional endowment of $400,000 to which Mr. Ashdown presented an advance subscription of $100,000; a Chair in Religious Education was authorized on Dec. 12th. The trouble associated with Rev. Dr. S. G. Bland and the discussion of his orthodoxy came up from time to time and the Rev. William Ivens, a stormy petrel of extreme Socialism, was conspicuous in attacks upon the College at certain Methodist meetings. The other denominational Colleges went along quietly and steadily during the year with no special public attention. The Agricultural College had a successful year with distinct growth in its Extension service along both administrative and educational lines; the graduates in Agriculture numbered 9 and in Home Economics 6—the small totals being due to war calls; in the year

ending Mch. 31, 1918, 22 Short Course schools were held in Agriculture, gas engines and home economics. These courses were held at intervals throughout the winter with 455 sessions and an aggregate attendance of 19,183 men and 10,780 women.

In Agriculture Manitoba had a very successful year. The 70 Agricultural Societies in the Province did good work in helping to increase production; they were greatly aided by the Government and were under the supervision of S. T. Newton, Superintendent of Agricultural Extension; their annual Convention in Winnipeg with A. D. McConnell of Hamiota as President was most successful. The Manitoba Seed Growers' Association which met in Winnipeg on Feb. 19th and elected Donald McVicar of Portage la Prairie President; the Manitoba Beekeepers' Association, with G. G. Gunn, Lockport, as President, and the Home Economic Societies with Mrs. H. W. Dayton of Virden as President; the Horticultural and Forestry Association with Mrs. H. M. Speechley, President, and the Manitoba Dairy Association with Alex. McKay as President; the Manitoba Cattle Breeders' Association with W. H. English of Harding, President, the Swine Breeders with John Strachan of Pope, President, the Horse Breeders with Freeman Rice, Binscarth, President, the Sheep Breeders with Thomas Jasper of Harding, President; all contributed their organizations to the development of Provincial production and agricultural prosperity during this year. The agricultural production of Manitoba in 1918 (Dominion statistics) increased in value by $40,000,000 and was as follows:

Field Crops	Area in Acres	Yield per Acre Bush.	Total Yield Bush.	Average Price per Bush.	Total Value
All Wheat	2,983,702	16·35	48,191,100	$2.06	$99,274,000
Oats	1,714,894	31·75	54,473,500	0.71	38,676,000
Barley	1,102,965	25·25	27,963,400	0.89	24,887,000
Rye	240,469	16·25	3,935,700	1.41	5,549,000
Mixed Grains	30,309	28·25	865,000	1.03	882,000
Flax	107,961	10·00	1,091,000	3.15	3,437,000
Potatoes	45,000	185·00	8,325,000	0.56	4,662,000
Turnips, mangolds, etc.	9,910	251·75 tons	2,494,800 tons	0.44	1,097,700
Hay and Clover	74,000	1·00	74,000	16.00	1,184,000
Fodder Corn	12,340	5·50	67,900	10.50	713,000
Alfalfa	3,600	2·25	8,100	18.00	145,800

There was considerable Mining development and much mining talk and press exploitation during the year as to Northern Manitoba. In the Rice Lake district a good deal of money was being spent in prospecting and the Gold Pan and Luleo group were under active development; the sister camps of Schist, Athapapuskow, Herb Lake and Star Lake were also under close prospecting, and a measure of active mining, with gold as the chief product; early in 1918 gold was said to have been discovered in paying quantities at Big Clearwater Lake, not far from the Gold Pan region, by E. E. Kane, of Minneapolis, who organized a Company for development purposes; Dr. R. C. Wallace, of the University of Manitoba, reported an unusually rich body of copper ore near Schist Lake and Flin Flon, with 100,000 tons in sight, had 10,000

tons already extracted; J. B. Tyrrell, the eminent mining engineer, of Toronto, in the Winnipeg *Free Press* of Mch. 9th said as to the Herb Lake region that: "On the shores a number of gold-bearing veins have already been found and are being developed. As the country is now definitely known to contain gold, search for rich veins will doubtless be continued more energetically as more prospectors learn to know the country."

New mineral discoveries were frequent during the year and great lignite coal-beds were known to exist near and around Winnipeg with a coal field in the Turtle Mountain district running 40 miles long and 20 miles wide; deposits of Tungsten were alleged to exist within 65 miles of Winnipeg and the copper ore under development by the Tonopah Mining Co., with regular shipments to the Trail smelter, was estimated as high as 250,000,000 tons in sight; molybdenite was found at Falcon Lake though Dr. E. L. Bruce afterwards reported doubt as to its quality being sufficient to profitably mine; the Mandy Mine was finally reported to have shipped, in 1918, 6,000 tons of gold, silver and copper and in 1917 3,300 tons. These resources were but a fraction of what the Hudson's Bay region and the Northern part of Manitoba really possessed in minerals; in other things there were immense resources—whale fisheries of Hudson's Bay with one animal worth $10,000 or $20,000, immense riches in fur-clad animals, vast quantities of sturgeon, lake-trout, whitefish and pickerel in its inland waters, great forests of timber and pulpwood, valuable resources in water-power.

The War action of Manitoba was conspicuous all through these years. During 1918 the Province raised $3,362,466 in war relief funds and the value of donations—the latter including garments and Red Cross supplies numbering 507,572 articles but not including the work of the I.O.D.E., and several other organizations, except as they were contributed to the Red Cross. The disbursements of the local Red Cross during the year included $400,000 to Toronto headquarters, $150,000 to the British Red Cross and $40,000 to that of France, $85,000 to the Canadian War Contingent Association. In January it was stated that Manitoba had lost 3,785 of its sons in the War up to that time with 9,727 wounded. In April a special Winnipeg appeal was made for the Red Cross and $657,000 raised in four days; the Kiwanis and Rotary Clubs of the city had thrown themselves enthusiastically into the work, the former collecting $115,000 and the latter $135,000; some of the larger subscriptions included the City of Winnipeg $30,000, Eaton's Management and employees $15,000, Winnipeg Electric Railway and employees $6,500, Great West Life $6,000, T. Eaton Co. Ltd., Union Bank of Canada, Sir Augustus and Lady Nanton $5,000 each, the Winnipeg *Free Press* and staff $4,587, the Grain Exchange Committee $55,057. In June an appeal to the whole Province went over the $1,225,000 mark in contributions—the Swan River district sending a total in excess of $25,000 and Winnipeg giving $650,000.

The Hon. Val. Winkler and the Department of Agriculture set to work to promote increased war production on the farms and, with the co-operation of the Grain Growers' Association and farmers generally, the area of field crops was increased by 1,440,000 acres and the production of wheat by 8 million bushels, oats 9 millions, barley 12 millions, rye 3 millions, flax 1 million, potatoes 5 millions. The Manitoba Patriotic Fund, which was independent of the Dominion organization and was collected through a Provincial Government tax on municipalities, received up to Mch. 31st, 1918, a total of $2,122,811 and disbursed $1,674,298 with 7,500 families aided from this Fund and with average payments of $19.46 monthly. A Manitoba branch of the Canadian War Contingent Association was formed during the year with Lady Nanton at its head and did splendid work during the balance of the War; in the 1918 Victory Loan campaign, under chairmanship of Sir A. M. Nanton, the objective was $33,000,000 and the response $43,000,000; the Sailors' Week campaign for the Navy League brought $20,000 from the Government and $15,000 from the City Council with an eventual total of $150,000; the Returned Soldiers' Manitoba Commission, of which F. O. Fowler was chairman, obtained positions for 1,922 men in 1916 and 1917. The Norris Government presented to the Legislature on Mch. 5th a Resolution stating that "this Assembly declares its belief that no lasting peace can be secured in the present world-war until the military power of Germany has been destroyed, and therefore pledges itself and the people and the entire resources of this Province to assist to the utmost in the prosecution of the War to its victorious conclusion." It was unanimously passed after being delayed a day by the opposition of F. J. Dixon, a Socialist member who, in April, had refused to subscribe to the Red Cross. Manitoba welcomed home during the year Lieut.-Col. C. D. McPherson, M.L.A., Captain C. P. O'Kelly, V.C., M.C., and Flt.-Lieut. Alan A. McLeod, V.C.—the latter being one of the victims of Influenza shortly afterwards. It lost Maj.-Gen. L. J. Lipsett, C.M.G., D.S.O., who had left Winnipeg in command of the 8th Battalion.

Labour conditions during the year in Winnipeg were restless, disturbed and unsatisfactory with an alien and extreme Socialist element struggling for chaotic expression. In January a Royal Commission was appointed to inquire into the operation of the Workmen's Compensation Board with W. S. Fallis, Manufacturer, A. R. Paterson, Adjustor of Fire losses, and A. W. Puttee, Labour-leader, as members; the Report, as presented on Feb. 6th to the Government, stated that there was a lack of organizing ability on the part of the Board, that the staff was unduly large, that salaries were out of proportion to the work performed, that the assistant Commissioner was unnecessary, that other work could have been done by a Secretary, that there was disregard for economy and a lack of courtesy in the staff. During this month R. A. Rigg retired from the post of Secretary of the Trades and Labour Council and his reasons, as later on expressed, seemed

to be discontent at its Socialist attitude; Ernest Robinson was appointed in his place. On Jan. 31st a new Labour party was formed with the following platform: Public ownership of all publicly-used property; equality of wealth and education; abolition of child labour; equal pay for men and women; equal suffrage; representation on public bodies. Other incidents of the year included the able address by A. K. Godfrey, President, to the Winnipeg Board of Trade on May 14th; the appointment of Hon. W. E. Perdue as Chief Justice of the Province; the meeting of the Winnipeg Grain Exchange on Sept. 12th with an elaborate review of conditions by President W. R. Bawlf and election of F. J. Anderson as his successor; the Report of Chief Justice T. G. Mathers, Isaac Pitblado, K.C., and R. S. Ward in October that the Winnipeg Electric Railway must have higher fares in order to pay higher wages.

The Manitoba Grain Growers' Association. The most conspicuous of the Manitoba Farmers' organizations was the Manitoba Grain Growers' Association which helped to formulate proposed policies for the farmers of the Dominion, published a useful *Year-Book* in 1917 and 1918 and held an important Convention at Brandon on Jan. 9-11 of the latter year with President R. C. Henders in the chair. At this meeting the constitution was revised and a fuller definition of aims and policy given with the two following clauses as perhaps the most important: "(1) The all-round development of rural life with a view to making it as satisfying and as effective in the commonwealth as possible, and the establishment of right relationships between rural and urban communities; (2) to forward in every honourable and legitimate way the interests of the rural population, not in antagonism to other elements, but in cordial co-operation with all." Much stress was laid upon the circulation of *The Grain Growers' Guide* in discussion and by Resolution as being "a primary obligation"; special attention was given to District organization and the enlistment of women's support; the National Platform of the Canadian Council of Agriculture was re-affirmed. Resolutions were passed as follows: (1) Urging "unification of all Railways in one system"; (2) asking the Dominion Government as a war measure to place all farm implements and machinery on the free list; (3) demanding the complete mobilization of man-power for the production of food, the closing of all non-essential businesses, the drafting of men for farm-work, the exemption from military service of all farm workers; (4) urging the officers and members of all branches to unify and inspire their local communities, promote the education of the people in "democratic citizenship" and encourage "effective community workers"; (5) congratulating the Dominion Government on its Prohibition policy and urging further efforts in utilization of Lignite coal; (6) advocating a standard scale of lumber sizes to be established by the Dominion Government and re-affirming the declaration that there should be no military Pension differences based upon rank in the Army; (7) asking the Dominion Government to make a general reduction in the Customs tariff and, at the same time, to inaugurate a system of taxing land values with all natural resources included in order to provide national revenue and for the payment of the national war Debt; urging that a final legal opinion be obtained as to the Provincial Direct Legislation Act and, if found unconstitutional that the necessary amending of the B.N.A. Act be carried out; demanding municipal franchise for wives of property owners and the same rights for women as for men in respect to free land and agricultural loans.

President Henders, in his address, eulogized the Association's successful efforts to obtain a fixed $2.21 maximum rate for wheat and declared that: "In this act alone our Association justified its existence, and effected

a saving for its members of a very large sum of money. In fact, it has increased the revenue for farmers this year by millions of dollars.'' The officers elected were J. W. Scallion, Virden, as Hon. President; R. C. Henders, M.P., Winnipeg, President; J. L. Brown, Pilot Mount and Mrs. J. S. Wood, Oakville, Vice-Presidents; W. R. Wood, Winnipeg, Secretary. During this Convention the women members were organized under the new constitution as the Women's Section of the Grain Growers' Association with Mrs. J. S. Wood as President. Resolutions were passed in favour of (1) Municipal child clinics where mothers and children could receive free medical advice until the latter reached school age; (2) an Inter-Provincial Women's Council of the Western Provinces and establishment of Short Courses for women at the College of Agriculture; (3) free importation of labour-saving devices for the home and conscription of woman-power as well as man-power for war production purposes; (4) the municipal franchise for women and affiliation with the National Council of Women. The Grain Growers' Grain Co., Ltd., reported in January for the year ending Aug. 31, 1917, earnings of $1,814,143 and expenses of $1,040,946, dividends of $149,000 and $516,688 carried to reserve. In the combination effected with the Alberta Farmers' Co-operative Elevator Co., the total income was $2,812,706 and expenses $1,708,057. A subsidiary concern called the United Grain Growers' Securities Co., was formed in 1918 for the purpose of buying and selling lands for its members, for appraising farm lands and co-operation in Government policies aiding farmers. To the *Guide* journal in 1918 came two new Editors— W. J. Healey and J. P. Sackville.

Saskatchewan; Progress and Political or Racial Problems.

This Province had a year of substantial prosperity and production despite depressing conditions of weather; its problems were varied but were kept within due limits by careful administration and the firm policy of the Martin Government along certain educational lines. The Hon. W. M. Martin, as Prime Minister, strengthened his personal popularity and influence upon public affairs in a range wider than the Province; his part in the two Inter-Provincial Conferences of the year was significant of this fact. He continued in support of the general principle of a War-union Government at Ottawa but would have none of it at Regina and in bringing Mr. Knowles into the Cabinet he took in a vigourous opponent of this policy; at the same time the retirement of Mr. Motherwell removed from the Government an equally keen opponent of Federal Unionism.

Certain elements opposing the Martin Goverment such as the President and members of the British Citizenship League, were strongly Unionist, they also desired a Unionist Government at Regina and criticized Messrs. Langley, Motherwell and Knowles for non-Unionist views. Back of Mr. Martin, however, was the Grain Growers' Association and this organization was, in Saskatchewan, exceptionally strong as a political force. The members had been moderately Unionist in Federal politics though the two Ministers opposed to the policy were leaders in their ranks. The Premier's opinions were clear-cut in expression upon many points during the year. In respect to the Dominion Government's assumption of war-control over the Provincial issue of bonds, etc.; his position was put as follows on Jan. 4th in a wire to Hon. N. W. Rowell:

The Government of Saskatchewan is ready and willing to co-operate in all proper measures for the conservation and utilizing of resources for

the purposes of the War, and even now suggests a Conference to be held to give the matter full and efficient consideration and to devise proper measures to attain its purpose; but must protest against the violation of important constitutional rights.

Addressing the Regina Y.M.C.A. on Jan. 9th, the Premier spoke of amateur sport in terms which were ideal: "The word athlete means a healthy body and a sound mind; it means courage and a love of fair play; it means quickness of decision and obedience to orders; it means all the qualities which go to make up a true man." At Yorkton, on Mch. 12th, in opening a campaign for greater production Mr. Martin dealt with the labour shortage as the greatest local difficulty and declared that if it were right to conscript men for service it was also right to conscript men to assist the farmers in food production; at Regina on Mch. 29th he declared it "just as important to save as to produce"; at Saskatoon (Apr. 2nd) he took firm ground on the language question and declared that "English must be the language of instruction in our schools, that every child in the Province must be instructed in the English language, and that, whatever legislation is necessary, will be enacted."

In June and July Mr. Martin was in England and France and brought back vivid impressions of the greatness of Britain and the heroism of Canadian troops. To the men from Saskatchewan he had addressed a Message on June 22nd through the pages of *Canada* stating that: "The people of our Province, and the people of Canada generally, recognize that the War effort of our country is the one question that is all supreme. All other matters must be subordinated to the one great aim." To the people of Regina on Aug. 11th he stated that in the British Grand Fleet he had seen "the greatest organization in the world" and that the men in charge impressed him as active, intelligent, alert, well-preserved men; men who had a duty to perform and who performed it: "This is the force which to-day is protecting us, which makes it possible for us to carry on our trade and which has made it possible for the War to go on." In other speeches earnest tributes were paid to Britain and France; on Sept. 17th the Premier deprecated as difficult and too expensive a proposal from the Regina City Council that the Province should look after the health of men rejected under the M.S.A. as physically unfit; at Yorkton on Sept. 29th he stated that it might be necessary to "specially bonus teachers to teach in the non-English rural schools of the Province."

As Minister of Education he had recently visited many of the Slav and other racial sections of the Province; he had seen the work of non-English pupils in many schools, heard many scholars and personally seen teachers at work with their classes, and he added this comment: "It is futile to think that the language problem can be solved by simply passing an Act through the Legislature. The whole question will solve itself if 200 more teachers can be in-

duced to take up the task of instructing the children of non-English residents in the remote rural schools." As to the Mennonite problem, in particular, he was explicit in a statement on Oct. 1st: "If the price of retaining them is to tolerate their educational methods and abrogate the provisions of the compulsory School Attendance Act, it would be better for them to leave the Province as they threaten to do." Mr. Martin did not believe in the Wilson Armistice negotiations and on Oct. 14th described Germany as still unbeaten: "Victory is in sight but not yet won. A little while longer, if we are steadfast and determined, will bring us the kind of peace we have fought so long for." To the Toronto *Globe* on Nov. 27th after attending the 2nd Ottawa Conference, Mr. Martin reviewed the School issue as follows:

> We have 4,200 public schools in Saskatchewan. We found last year, after the most careful inspection that only 214 were supplementing English by another language, and then only for part of the day. Of these, 70 to 80 were schools attended by pupils of French origin in which, under our regulations, the primary classes—the first and second grades—have the privilege of being taught in French. In all schools where a language in addition to English is being used the most definite instructions have been given that the non-English language shall be taught for only one hour a day—the last school hour. Let me give you some illustrations of the way in which we are succeeding. In the Yorkton Inspectorate, with about 125 schools, 69 per cent. of the people are foreign-born—chiefly Ruthenians—but in 1917 there were only three schools which did not use English exclusively. In the Canora Inspectorate, where 70 per cent. of the people are foreign-born, only ten schools of the total of 139 were using another language with English—for an hour daily. In the Swift Current Inspectorate with 125 schools in 1916, only nine schools used a foreign language, chiefly German, and last year only four.

This was really the chief issue of the year in Saskatchewan and it had, of course, two sides to it with inevitably divergent points of view regarding it. There were in the Province at this time about 60,000 people of Austro-Hungarian origin, 77,000 Germans, 29,000 Russians and 27,000 Norwegians in a total population of about 700,000 and the children constituted an obvious problem—which was well dealt with in a volume written by Dr. J. T. M. Anderson of Yorkton on "The Education of the New Canadian." A pronounced agitation developed early in this year throughout the English-speaking population and was led by J. F. Bryant, K.C., of Regina. The Grain Growers' organization passed a Resolution on Feb. 16th declaring that provision should be made "that every child in Saskatchewan be given a practical knowledge of the English language; that all elementary schools be brought under Government control and inspection, and that an effective system of compulsory education be enforced." The Orangemen demanded "one language and one school" while the Regina *Leader* of Feb. 20th approved the Grain Growers' view and pointed out that there were 82 private educational institutions in the Province, not under Government supervision, of which 16 were Lutheran, 18 Roman Catholic and 30 Mennonite.

All these and many other opinions were heard and debated at a Convention of the Provincial School Trustees at Saskatoon on Feb. 20th-21st. This organization was three years old and its preceding meetings had been notable for a keen conflict between Bi-lingualists and those who stood for English as the sole language of instruction. The School Act at this juncture provided that "all schools shall be taught in the English language but it shall be permissable for the Board of any District to cause a primary course to be taught in the French language. The Board of any District may, subject to the regulations of the Department, employ one or more competent persons to give instruction in any language other than English in the school to all pupils whose parents or guardians have signified a willingness that they should receive the same." At the Convention 3,000 delegates were present with P. M. Friesen of Rush Lake presiding and others taking his place in the chair from time to time. Addresses were given by A. McG. Young, Mayor of Saskatoon, R. F. Blacklock, Acting Deputy-Minister of Education, Miss Fannie Twiss of the Education Department, Dr. Norman F. Black, Miss Jeanne Brown, Provincial Director of School Hygiene, Dr. J. T. M. Anderson, J. F. Bryant and others.

It was a rather unruly gathering at times and several speakers were unable to conclude their remarks. The English-speaking element acquired complete control, however, and Resolutions were passed as follows: (1) Expressing loyalty to the King and British institutions and conviction of the justice and ultimate triumph of the Allied cause; (2) declaring that Trustees must be British subjects and be able to read and write in English; (3) demanding that every child in the Province receive adequate and proper instruction in the English language and that it should be the sole language of instruction and the only one on the curriculum of the schools during school hours and within the provisions of the School Act. A notable incident of the Convention was its refusal to consider French as an exception in the matter of instruction. All the new officers elected were English-speaking and included the President, J. F. Bryant, M.A., LL.B., K.C., Chairman of the Regina School Board; Vice-Presidents W. A. Boland, B.A., and W. F. Goulden; Hon President, A. J. Sparling and the Secretary-Treasurer, J. H. Cunningham.

Following this came the publication (Mch. 16) of an elaborate Report prepared by H. W. Focht, PH. D., of the U. S. Bureau of Education, who, in June, 1917, had been appointed by the Martin Government to conduct a complete survey and study of the Provincial educational system. In this important document the Commissioner presented a careful review of the physical and racial back-grounds of the Province; a general study of the existing educational system followed by a detailed analysis of the essential factors in the problem; various detailed conclusions with suggestions and specific recommendations for improvement. His conclusions were briefly: (1) That the people of the Province had failed to use the schools as fully as they should have done; (2) that the prevail-

ing system of school organization and administration, in rural districts particularly, was no longer adequate; (3) that abnormal opportunities in other occupations had conspired to make it difficult to train and keep in the profession an adequate number of well-prepared teachers; (4) that the courses of study in elementary and secondary schools did not in all respects meet the demands of a democratic people occupied with the conquest of a great agricultural country; (5) that the schools in their internal organization offered slight opportunity for individual aptness and initiative; (6) that the system of examinations in use was a questionable form of testing the average pupil's scholarship, ability, maturity, and fitness for advancement; (7) that bodily health and hygienic conditions in the schools, so essential to effective study, had received little attention; (8) that the schools, while liberally maintained, must receive even larger support. The following recommendations were made:

1. Dis-establishment of all school districts as now organized outside of incorporated village and town districts, and the re-establishment, instead, of all schools lying wholly or in part within each rural municipality as one single municipal school district.
2. Abolition of the present School Trustees, and organization, instead, of one Municipal Board of Education, together with custodians for each school in the municipality.
3. The Municipal Board of Education, preferably to comprise five members, to hold office for three years each, three members to be elected by the Municipality, and two to be appointed by the Minister of Education.
4. The Municipal Board to have a permanent and salaried Secretary and the members to have expenses paid; the powers of the Board to include appointment of a Custodian of Schools and determine the rate of taxation, to oversee election of teachers by municipality and to control construction and maintenance of schools, to consolidate the schools and to organize rural high schools of agricultural type.

Elaborate details were given as to the entire scheme of organization and the recommendations as to non-English communities included the training of promising young men and women of Ruthenian or other racial type in Normal Schools; subsidising of specially prepared Canadian teachers to take preliminary charge of such schools; the organization of model community schools under Government control and its supervision of private schools; the authorizing of non-English teaching only after school hours. Dr. Focht also advised an increase in the taxation of agricultural and grazing lands in order to better maintain the schools. It was generally recognized that this Report would be the basis of ensuing legislation and, meantime, the movement for drastic action continued while new Government regulations were issued from time to time in accordance with the Premier's expressed opinions.

The Bishop of Qu'Appelle, in the annual address to his synod, stated on May 29th that, with strict English instruction, "it is quite possible for the children of foreigners to dwell in our midst and yet live through life in thought and allegiance to a foreign land." On June 17th Educational regulations were issued (1) making it compulsory for all schools to fly the flag, weather permitting, on

such days as the school was in operation, and (2) declaring that the singing of the National Anthem shall form part of the daily opening or closing exercises in every public or separate school. In October Dr. J. T. M. Anderson was made Director of Education among the young Canadians of foreign and mixed language districts and at the same time Mr. Premier Martin stated that teachers for these schools, with 1st and 2nd class certificates, would be bonused.

When the Legislature met in December this question at once dominated the situation. In the Address debate on Dec. 9th Donald Maclean, Opposition Leader, urged legislation making English the sole language in schools and the Premier declared that the solution lay in good, qualified English teachers. On Dec. 18th Mr. Martin introduced amendments to the clauses in the School Act which have been quoted elsewhere and the new Clauses were as follows: "(1) Except as hereinafter provided, English shall be the sole language of instruction in all schools and no language other than English shall be taught during school-hours; (2) Where it is necessary, in the case of French-speaking pupils, French may be used as the language of instruction but not be continued beyond Grade I, and in the case of any child shall not be continued beyond the first year of such child's attendance at school; (3) When the Board of any District passes a Resolution to that effect, the French language may be taught, as a subject, for a period not exceeding one hour in each day." An Oath of Allegiance was provided for School Trustees and made compulsory.

Mr. Martin's speech was an able presentation and review of the educational history of Saskatchewan with tributes to the share of the Hon. Walter Scott, the late Premier, in its creation; Mr. Maclean took issue only on the point of consideration for French and thought no language but English should have any place in the school; Hon. S. J. Latta analyzed the public school system as established to, first of all, make good citizens with language as a subsidiary consideration; Hon. W. R. Motherwell not only endorsed the retention of French but declared that his recent resignation was due to his insistence upon this policy—which was now carried out. Mr. Maclean moved an amendment declaring that "the English language should be the only language of instruction in the elementary schools of the Province during regular school hours" but was supported by only three of his followers and the Bill passed in due course.

Meantime, there had been some changes in the Government. On May 16th the Hon. G. A. Bell, Minister of Telephones, retired to take the post of Chairman in the Local Government Board and the Hon. C. A. Dunning, Provincial Treasurer, took over the Telephone Department also; the Hon. W. F. A. Turgeon, K.C., Attorney-General and Provincial Secretary, resigned the latter post which was accepted by William Erskine Knowles, K.C., M.P., for Moose Jaw in 1906-17; John R. Bunn, a member of the Local Government

Board since its inception, retired on account of ill health and S. P. Grosch resigned the Chairmanship while retaining the post of legal adviser and member of the Board. Mr. Knowles had campaigned the Province in 1917 on behalf of Sir Wilfrid Laurier and against the Union Government but had not stood as a candidate; he now ran for Moose Jaw, vacated by the appointment of W. B. Willoughby, K.C., lately the Provincial Conservative leader to the Senate, and was elected over W. G. Baker, a Labour candidate, by 446 majority—Conservative and Liberal votes combined. The only other bye-elections of the year were Saltcoats (Hon. J. A. Calder's old seat) where Dr. Sahlmark (Lib.), defeated Amos Burket (Ind. Lib.) by over 300 and in Estevan where Robert Dunbar (Lib.), defeated Thomas Bryce (Unionist) by over 500 majority.

On Dec. 10th the Hon. W. R. Motherwell, who since the creation of the Province in 1905 had been its efficient and enthusiastic Minister of Agriculture and also a keen Liberal partisan, resigned his post. During the year he had taken part in the two Inter-Provincial Conferences and had made many speeches throughout the Province urging such points as increased poultry breeding, greater agricultural production as a war duty, the speeding up of sales in Dominion School lands; on May 1st he had held a conference with Field representatives of his Department to discuss and survey conditions in general; he had arranged for the purchase of 2,000 high-grade sheep to encourage that branch of live-stock production. At the same time he had urged, whenever opportunity offered, the repeal of the War-times Franchise Act, supported Reciprocity and freer trade, criticised Union Government in general and Borden policies in particular. His letter of resignation to Mr. Martin was dated Dec. 10th and declared that "a mighty conflict" was pending in Canada between "the privileged people and the common people" and he wanted to be free to champion the cause of the former; his more detailed reasons were given in a long statement which followed the letter.

He declared (1) that the Martin Government should make a specific pronouncement upon the merits or demerits of the present Union Government at Ottawa, based upon their general record for the past 12 months; (2) denounced the Union Government for its two Registration schemes which were described as useless and extravagant, its Greater Production policy which was declared to be emotional, its War-times Election Act, which was termed an "abomination" and an invasion of Provincial rights, its Labour policy as vacilating and confusing, its Railway policy as dangerous unless the C.P.R. were included, its Soldier Settlement schemes as involving a capital charge upon the Province of $64,000,000, its Natural Resources policy as one of "duping" the West. The whole letter was an able party attack upon the Dominion Government along lines of Federal policy and it ended with an appeal against the "high-tariff, profiteering, privileged enemies of Can-

ada'' while arguing that Mr. Martin was the best man available for Dominion Liberal leadership.

The only reference to Provincial issues was an indirect one—a statement that for 10 days he had tried to fit into a certain educational proposal then pending which he afterwards stated to be the language legislation. Mr. Martin replied on the 11th accepting the resignation with regret, stating that he had always given Mr. Motherwell a free hand on Federal issues and that he understood an agreement had been reached in the language matter. In a reply on the 12th the late Minister laid stress upon recent Federal proposals and Acts as constituting a dangerous invasion of Provincial rights. The resignation was announced in the Legislature on the same day and Mr. Motherwell told the local press, afterwards, that his chief reason for retirement was the new legislation of the Government as to language in education.

The Hon. George Langley, Minister of Municipal Affairs, was appointed Acting Minister of Agriculture. Mr. Langley was a conspicuous figure during the year as Minister, as a Grain Growers' leader, and as Vice-President of the Saskatchewan Co-operative Elevator Co. On Jan. 17th he wrote a long letter to the Regina *Leader* on the Food production question, expressed doubt as to Provincial farmers being able to largely increase their crops owing to lack of labour and suggested an organized scheme of production which would involve the acquisition of about 3,300 gasoline tractors for the breaking in and cultivation of 1,000,000 acres, the provision, also, of 1,000 horses and about 20,000 men, the guidance of the enterprise by either the Hon. J. A. Calder or Hon. C. A. Dunning, an estimated expenditure of $15,000,000 with an additional yield of at least 250,000,000 bushels of wheat. The *Leader* described this proposal as ''intensely practical'' and altogether admirable; it was widely discussed in the West as at least a concrete plan; Mr. Langley urged it in succeeding speeches as a step in advance though nothing actually was done.

In his Muncipal Report for the year of Apr. 30th, 1918, Mr. Langley declared that: ''Saskatchewan has 300 rural municipalities and in each of these prosperity has abounded—a condition to be expected in any agricultural community when a world-war is sending skyward the prices of natural products. As at the end of 1916, many rural municipalities closed their books last December showing cash surpluses of over $10,000 each.'' He referred to the Survey of Taxation in the urban municipalities recently made by Prof. R. M. Haig of Columbia University, New York, at his request; urged support of the recently-passed Town Planning Act and of the effort to establish Union Hospitals wherever possible; stated that the Surtax of 6¼ cents per acre levied on uncultivated lands in rural municipalities had realized, in 1914-17, a total of $2,709,702; described the municipal growth of the Province in 1905-18 as including an increase in cities and towns from 19 to 82, in villages from 63 to 313, in rural municipalities from two to 300, in school districts from 896 to 4,075. Speaking to the Grain

Commission on Aug. 21st Mr. Langley objected to Canadian wheat being controlled in any way by the British Export Co. which was purchasing it for the British Government and asked why it could not be handled by Canadians.

As Minister of Highways the Hon. S. J. Latta, during this year, handled a new Department as a new Minister, with moneys voted for 1918-19 totalling $790,000 in revenue and capital charges. He had the construction of roads and bridges in charge and the care of ferrys, but found time to make several addresses during the year on the "Principles of Democracy"—with cultivated intelligence and acquired knowledge as basic elements. The Minister's business plans were stated at Moose Jaw on Mch. 6th as the development of a system of main highways through the Province, supplemented with the assistance of the rural municipalities and by the construction of lateral feeders—in such a manner as to eventually constitute a system of cross-country main lines. The organization to carry out his policy was soon afterwards completed and included appointment of a practical man as Superintendent of Highways with 8 Superintendents under him and in charge of respective Provincial divisions. H. S. Carpenter, Deputy-Minister of Highways, was announced as Acting Superintendent with H. Ross Mackenzie as Chief Engineer and the other positions, also, were filled. At Regina College on Dec. 2nd Mr. Latta delivered a really notable address on Democracy and Education.

The Hon. C. A. Dunning was Minister of Railways, Minister of Telephones and Provincial Treasurer in 1918, but his greatest work was done from Ottawa as a member of the National Food Board and organizer of the campaign to secure increased production in the West. His Railway report for Apr. 30th, 1918, showed 6,148 miles of railway within the Province, of which 2,778 was C.P.R., 2,205 C.N.R., and 1,163 G.T.P.; there was little railway construction in the years 1917 or 1918, but there was continuous establishment of line equipment in the shape of depôts, loading platforms, elevators, warehouses, freight sheds, stock yards, etc. As to Telephones the new toll offices in the fiscal year were 16, new exchanges 62, long distance construction in pole-miles 108 and in wire-miles 1,318; the Government system included 379 offices and 24,690 stations, 4,383 pole-miles in long distance lines and 20,152 wire-miles; the rural systems had 34,516 pole-miles, 111,193 wire-miles and 35,555 stations; over 1,600,000 messages were completed during the year and the rural field extension of the services exceeded all previous records with 35,000 farm homes enjoying the telephone privileges. He had to cope with a Telephone strike in October caused, the Minister stated on Oct. 24th, by an American organizer named Ingles presenting to him a schedule of wages and conditions and later on, taking action over the heads of a Committee of the men who had expressed satisfaction with the terms offered in conference. A Board of Conciliation was refused for much the same reasons as the Dominion Government advanced in the Postal strike. It was, however, a very limited affair and did not last long.

The revenue of Saskatchewan, under Mr. Dunning's financial administration was $8,278,465 for the year of Apr. 30th and including a balance of $481,311 from 1916-17. The main items were $2,207,696 from Dominion subsidies; Interest account $403,531, Liquor Stores' system $300,000 and Public Revenue Act $928,600; Succession duties $115,801 and Land Titles fees $466,146; Law stamps and Sheriff's fees $303,832; Motor Vehicle license fees $625,457 and Corporation-Railways tax $319,395; Public Works $523,140 and Highways $175,035. The expenditures were $6,884,-534 including Public Debt charges of $1,262,863; Civil Government $370,488 and Legislation $135,623; Administration of Justice $878,-314; Public Works $810,752 and Public improvements $391,532; Education $1,045,111 and Agriculture $182,879; Public Health $251,534 and Neglected Children $56,213; Public Works Advance $311,481 and Elections $184,224; the surplus was $1,393,931 with later deductions which brought it down to $338,470; the product of Loans during the year was $4,446,517. The assets of the Province on Apr. 30th, 1918, were $53,444,165 and the liabilities $29,645,836. Amongst the former Mr. Dunning included the Dominion Debt Allowance of $8,107,500 and a School Lands Trust account of $14,588,204, Co-operative Elevator Company mortgages $1,661,425, Farm Loans Act securities $1,200,559, Public buildings and Lands $9,449,005, Public improvements $7,396,471 and the Telephone system $7,065,731.

At the close of the year legislation was introduced by Mr. Dunning imposing a heavier tax on branch Banks, an increased grading of taxation on Insurance Companies, an enlarged basis for Express and Trust Companies. The Farm Loans Board was reported by the Treasurer at the end of 1918 to have loaned $1,758,-288 in 1015 loans. The Hon. A. P. McNab, as Minister of Public Works, administered the Battleford Hospital for the Insane at a cost of $269,806 and the Provincial gaols with costs of $81,040; controlled the institutional Farms and the Steam Boilers Branch; expended on Public buildings, generally, $1,001,660. An interesting political incident of the year was the return of Hon. Walter Scott to the Province which he had served as Prime Minister for eleven years and from which he had been absent for a couple of years on account of ill-health. He came back in September, with health largely restored, and a little later re-assumed control of the Moose Jaw *Times*, which he and Thomas Miller had founded in 1894, while the press had varied rumours as to his return to public life. On Nov. 23rd Mr. Scott's first editorial declared against the Union Government at Ottawa which up to this time he had supported as a War necessity.

Other general events of the year included the spread of the Influenza epidemic with a total of 3,072 deaths up to Dec. 31st; a report from A. E. Fisher, Fire Commisisoner, of $2,250,000 lost by Provincial fires with 45 fatalities and 30 persons injured; a grant by the Government of $1,500 to the Provincial Social Service Council; the proclamation on Feb. 16th of the Mothers' Pensions

Act of 1917 under which poor widows with children might receive an allowance up to $3.00 per week per child; the publication in February of the Report on Taxation by Prof. R. M. Haig, PH.D., who recommended a Provincial Tax Commission and various changes in the form and application of current taxes; the re-organization of Provincial Courts and establishment of a Court of King's Bench and Court of Appeal; their formal inauguration on Mch. 5th at Regina with greetings to the new Chief Justice of the Province, Sir Frederick Haultain, by William Grayson, K.C., J. A. Allan, K.C., and James Balfour, K.C., as leaders of the local Bar; the issue of over 45,000 motor licenses in the year compared with 8,000 in 1914 and the claim of the Saskatchewan Motor League, of which C. A. McQuaid, Regina, was President, to be the largest organization of the kind in Canada; the initiation in September of a new journal called *Turner's Weekly* edited and published at Saskatoon by Harris Turner, M.L.A., a blind hero of the War. The following were the chief official appointments of the year:

Acting Deputy-Minister of Agriculture	William W. Thomson
Acting Deputy Attorney-General	Malcolm Dingwall
Director of Rural Education Associations	A. J. G. MacEchen, K.C.
Special Provincial Magistrate	Fred W. Bates, B.A., M.Sc.,
Master-in-Chambers	E. T. Bucke
Director of Town Planning	M. B. Weekes
Provincal Dairy Commissioner	Percy Reed
Provincial Fuel Administrator	T. M. Molloy
Civil Service Commissioner	Thomas Mutrie
Provincial Superintendent of Neglected and Dependent Children	Frank J. Reynolds
Inspector of Provincial Police	Robert R. Tait
Wild Lands Tax Commissioner	John J. Smith
Live-Stock Commissioner	Alex. M. Shaw
Inspector of Motor Vehicles, etc.	Fred W. Kerr
King's Counsel	Hon. W. M. Martin
King's Counsel	George H. Barr
King's Counsel	Ernest J. Campbell
King's Counsel	Solomon P. Grosch
Superintendent of Revenues	Arthur Wilson

The development of Agriculture during the year was considerable and confirmed Saskatchewan in its position as the premier wheat-growing Province of Canada. At the close of 1918 its area under Homestead was 27,133,700 acres, under pre-emption and purchase 5,854,200 acres, under Hudson's Bay and Railway Companies 18,264,063 acres, under School Land endowment 3,932,000 acres, under Irrigation, timber license, grazing leases, Forest Reserves and Parks, etc., 16,743,340 acres, with 4,607,300 still available for entry. Compared with 12 great grain-producing States of the American Union, Saskatchewan stood fifth in 1918 in the production of wheat, oats, barley and flax with only North Dakota, Minnesota, Illinois and Iowa ahead; in 1916 it had been head of them all; in wheat alone the Province was third in 1918 and first in 1916 and 1917. The storage capacity of the 752 stations and 2,117 grain elevators in Saskatchewan at this time was 64,394,200 bushels. During 1918 the number of horses increased from 888,673

to 1,000,076, cattle from 1,211,090 to 1,279,331, sheep from 127,892 to 134,177 and swine decreased from 573,938 to 521,240—the total increase in values was $21,347,028. The estimated value of farm products exported in 1918 was $198,970,770; the average wages paid to men for threshing was $4.75 per day and to man and team $7.00; the number of live-stock received at Union Stockyards in 1918 was 355,343 compared with 326,741 in 1914; the total immigration in the war-years, 1914-18, was 85,429. The total value and particulars of all agricultural products and live-stock in 1918 was as follows:

Produce	Acreage	Yield	Production	Price	Total Value
Wheat	9,249,260	10·00	92,493,000	$1.99	$184,061,000
Oats	4,988,499	21·50	107,253,000	.70	75,077,000
Barley	699,296	17·00	11,888,000	.88	10,461,000
Flax	840,957	5·00	4,205,000	3.10	13,036,000
Rye	123,500	11·50	1,420,000	1.50	2,130,000
Peas, beans and mixed grains	28,561	.....	558,000	....	842,000
Potatoes	59,793	116·25	6,950,900	.96	6,672,900
Turnips	9,760	225·75	2,203,300	.91	2,005,000
		Tons			
Hay and Clover	315,117	1·15	362,400	11.92	4,319,800
Fodder Corn	11,186	5·65	63,200	10.50	663,600
Alfalfa	6,943	1·40	9,700	17.50	169,800

Butter, milk, cream, ice-cream	11,062,213
Wool-clip	406,000
Game and furs	2,000,000
Garden Products	1,500,000
Poultry and Products	6,553,679

Live-Stock	Number	
Horses and Mules	1,000,076	160,012,160
Cattle	1,279,331	89,717,550
Sheep	134,177	2,012,655
Swine	521,240	13,031,000
Total value of all products 1918		$585,733,357

The season of 1918 was an abnormal one, with poor crop conditions in parts of the Province, but the net values were little short of 1917. The annual Report of Hon. W. R. Motherwell, Minister of Agriculture, showed an immense amount of work done by his Department under officials such as F. H. Auld, Deputy Minister, P. E. Reed, Dairy Commissioner, E. Oliver of the Bureau of Statistics, T. M. Molloy of the Labour Bureau, A. M. Shaw, Live-Stock Commissioner, M. P. Tullis, Weeds and Seed Commissioner, W. W. Thomson, B.S.A., Co-operative Director, etc. The *Public Service Monthly* edited by W. E. H. Stokes, continued its fund of useful information about the Province; the Labour Bureau reported as to production for the latest year available, with $1,189,351 worth of lumber cut in 1916, 51 mines in operation during 1917 with 336,726 tons of coal produced, 221 factories in the Province with 3,930 employees, $1,490,778 of building operations in 1917.

Co-operation, as a principle, was applied to Agricultural Associations with their 12,459 members, capital of $151,805 and a turnover of $4,160,262, to Wool marketing with 623 consignments of 223,445 pounds, to Poultry marketing with 3 stations and 79,739 pounds handled, to Feed distribution and to 19 Creameries with a butter product of $966,152; the Saskatchewan Co-operative Elevator Co., Ltd., in the year of July 31st, 1917, had a paid-up capital of $1,060,482, net profits of $350,752, a stock dividend of $250 per share, 34,558,637 bushels of grain handled and 258 elevators operated; the Municipal Hail Insurance Association, another Co-operative concern, had a revenue of $930,799 in 1917, 4,978 claims received and $823,362 paid with $36,596 as the cost of administration; the Saskatchewan Grain Growers had a Trading Department with 1917 sales of $1,643,000 and net profits of $35,776; a Consumer's Co-operative League was also in operation at Regina.

Agricultural incidents of the year included the Government purchase of 600 grade Cheviot ewes from the former Lieut.-Governor, G. W. Brown, to be utilized in improving the Provincial breed of sheep; an important Convention of Live-Stock Associations at Regina on Jan. 3-4 shared in by the Sheep Breeders of which H. Follet, Duval, was elected President for 1918, the Swine Breeders with Phillip Leech of Baring, President and the Cattle Breeders with R. M. Douglas of Tantallon, President; arangements by the Department of Agriculture for 200 meetings in urban centres to urge citizens to help in promoting food production; the winning of fresh laurels by Seager Wheeler of Rosthern, the famous grain-grower, by capturing at Kansas City on Oct. 16, for the fifth time, the world's championship prize in hard spring wheat. The Royal Commission on Live-Stock appointed by the Government in 1915 and composed of Hon. W. C. Sutherland (Chairman) Hon. W. R. Motherwell, Dr. J. G. Rutherford, Calgary, Prof. O. D. Skelton, Kingston, J. D. McGregor, Brandon and W. A. Wilson, Regina, reported in October 1918 with the following recommendations:

1. Co-operative shipping agencies to be vigorously encouraged and a central market established in Saskatchewan as soon as conditions warrant.
2. To complete marketing facilities, packing plants should be established, at the central markets and later at local points.
3. A number of cold storage warehouses should be organized as rapidly as possible at strategic points throughout the Province.
4. The Saskatchewan Co-operative Creameries, Ltd., should be used as a nucleus for organization work.
5. In financing this development the farmers mainly concerned should be asked for subscriptions to the shares of a Co-operative Company and a loan given by the Provincial Government to cover a definite proportion of the capital outlay.

The War-work of Saskatchewan was considerable. It included a total expenditure by the Government of $2,492,638 upon all kinds of Patriotic grants and in response to varied war-appeals; total receipts to Sept 30th, 1918, of $2,516,332 for the Canadian

Patriotic Fund; contributions from the schools of the Province, organized by the Department of Education, totalling $94,000 in 1915-18; the establishment in the Province of 592 senior branches and 411 junior branches of the Canadian Red Cross Society with collections of $1,457,000 and shipment of 4,800 cases of goods; the raising by the Saskatchewan I.O.D.E. of $357,00 for war and relief work and shipment each year to Shorncliffe of $30,000 worth of socks and shirts; the contribution of $40,000 to various war objects by the Grain Growers' Association and despatch of 40,000 sacks of flour to the Imperial Government from the Patriotic Acre scheme; the enlistment from the Province of 38,000 soldiers. To the 1918 Victory Loan Saskatchewan subscribed $23,880,000 or $3,000,000 more than its objective. In the Y.M.C.A. appeal of 1918 the Province responded with $500,000 or more than double its allotment; the Fund entitled Agricultural Relief for the Allies and initiated by the Department of Agriculture, raised $14,000 in 1918. The Province was proud of the success won by Brig.-Gen. Alex. Ross, C.M.G., D.S.O., Brig.-Gen. J. F. L. Embury, C.M.G., D.S.O., K.C.,—who was appointed to the Bench of Saskatchewan in his absence at the Front—while Regina on May 31 welcomed home its popular citizen Lieut.-Col. J. A. Cross, D.S.O., M.L.A., with ceremony and cordiality. The Lieut.-Governor, Sir R. S. Lake, in Messages to the people and soldiers, in speeches and public duties, did his share during the year in promoting war patriotism and work.

The 2nd Session of the 4th Legislature was opened at Regina by His Honour, Sir R. S. Lake on Nov. 29th with a Speech from the Throne which dealt with the War and the "noble part played by the people of Saskatchewan"; referred to the call for food from starving Europe and the late enemies of the Empire; mentioned the ravages of the Influenza and the death of M. O. Ramsland, M.L.A., from its effects; promised immediate attention to the great need for immigration and urged greater food production; regretted that the rights of the Province as to control of natural resources had not yet been granted; referred to the Educational report of Dr. H. W. Focht and promised legislation as to some of his recommendations and a Bill establishing the minimum wage for women and girls. The Address was moved by Rev. M. L. Leitch of Morse and G. W. Sahlmark of Saltcoats and was approved without division. The parties at this time stood 50 Liberal or Government supporters, 6 Conservative or Opposition supporters, and the balance scattering. Amongst the latter was Harris Turner who had been elected by the soldiers at the Front, after being blinded by shrapnel wounds, and who professed to have no politics. Donald Maclean of Saskatoon was Leader of the Opposition. The chief item of legislation, passing through its important stages before the House adjourned on Dec. 20, to meet on Jan. 8, 1919, was the amendment of the School Act which is dealt with elsewhere.

In Educational matters the University of Saskatchewan continued its useful work with, also, a war record of conspicuous

patriotism. The 7th annual Convocation was held at Saskatoon on May 2nd and the Chancellor, Sir F. W. G. Haultain, conferred degrees upon 55 students and stated that the Senate proposed to institute a course of instruction in Business methods. President W. C. Murray announced that the number attending classes at the University was 407, the second largest on record. Of this number 208 were in Arts, 143 in Agriculture, 22 in Law, 17 in Pharmacy and 17 in Accounting. For the first time, he noted, women were registered in every division of University work: "Four hundred students attending University classes, 700 enrolled in Short Courses at the University, and 70,000 ministered to by the Extension Department, indicates in a general way, the magnitude of the work being done for the Province."

He referred to the notable step taken by the Provincial Government in granting $250,000 to the University for Research work. As to the War over 300 had gone to the Front. Forty-two would never return; nearly 70 more had suffered wounds, and many others illness. A little later there were 4 graduates in the B.S.A. Course; the Summer School opened on July 16th for six weeks with every facility to advance teachers toward obtaining degrees or greater efficiency in instruction; W. J. Bell of Saskatoon, Levi Thomson of Wolseley and the Hon. James McKay, Regina, were appointed to the Board of Governors in 1918; members of the University Senate elected in June included Dr. H. A. Stewart and Dr. W. H. Falloon, Saskatoon, Robert Martin and C. E. Walker, Regina, G. W. Sifton, Moose Jaw, Dr. G. R. Peterson, Saskatoon, A. Kennedy, Weyburn, A. G. Farrell, Moosomin, H. Y. MacDonald, Regina, W. N. Findlay, Yorkton and Prof. A. R. Greig; Dr. W. F. Lindsay of Edinburgh was appointed Professor of Bacteriology and Pathology.

Of other institutions Regina College (Methodist) had a most successful year under President E. W. Stapleford, D.D. Its Summer Conference brought together the Methodist ministers of the Province to hear a course of lectures; the finances were the best in its record but still showed a capital Debt of $204,000; the attendance reached 590 including 185 boys and young men and 405 girls with a staff of 26 which was reported as untiring in its effort; the College gave $1,000 to the Red Cross in June and in December announced large plans of work for the coming year with $21,000 of contributions under way to apply on indebtedness. On Sept 12th the new Campion College, instituted by Jesuit Fathers, and erected at a cost of $150,000 was opened at Regina with Rev. T. J. McMahon as Rector and a number of students in attendance. During the year the Department of Education appointed Joseph A. Snell, M.A., LL.D., as Inspector of Normal Schools and a number of additional Inspectors of Public Schools; an important decision was rendered (July 31) by the Judicial Committee of the Privy Council in the City of Regina *vs.* the Separate School Board. The question at issue was whether, under existing statutes, a Roman Catholic in a Separate School district could demand that he be

entered as a Public School supporter. Regina officials had accepted such a request and the action was confirmed by the Court of Revision but disallowed by the Local Government Board whose decision was confirmed by the Supreme Court. The Privy Council upheld this latter view.

A Provincial Committee was at work during the year on a Superannuation scheme for Teachers and in March reported at length on the subject; the School Attendance Act of 1917 was reported to have worked well in restricting truancy and promoting attendance at school. Other incidents of the year included the appointment of a Commission to consolidate and revise the statutes of the Province and composed of Hon. H. W. Newlands, Hon. W. F. A. Turgeon, K.C., Attorney-General, T. A. Colchough, Deputy-Attorney-General and R. W. Shannon, K.C.,; the authorization by the Local Government Board of loans for Saskatchewan municipalities in the first 11 months of 1918 totalling $1,891,752 compared with $4,092,112 in 1917; the alleged discovery near Maple Creek of an immense deposit of potash sodium, sulphate and salts. The 1917 teachers numbered 5,734 of whom 4,430 were women; the expenditure from all sources on Education was $11,478,-034; the enrolled pupils were 138,731.

The Saskatchewan Grain Growers' Associations. This powerful organization, through J. A. Maharg, M.P., its President, had much to do with Saskatchewan's support of Union Government and Conscription; it had great influence over Provincial legislation and politics. Its 17th annual Convention was held at Regina on Feb. 12-15 with an opening address by Mr. Maharg in which he asserted that "the balance of political power" had been moved from the East of Canada to the West; an urgent appeal from the Executive followed for 30,000 new members in 1918 and a statement by the Secretary, J. B. Musselman, intimated that arrangements had been made with three leading newspapers for a Saturday page devoted to the G.G.A. with other journals coming into the plan; a registration was reported of 1,276 delegates and 800 visitors in attendance, with membership fees received in the past year of $12,702 and total receipts of $35,171; an appeal for support to the Y.M.C.A. Fund brought $1,000 from the Convention and a statement that the Association's patriotic contributions of the past year had totalled $17,900. The officers elected for 1918 were as follows: J. A. Maharg, M.P., Moose Jaw, President, and A. G. Hawkes, Percival, Vice-President; the Directors-at-Large were Thomas Sales, Langham; Mrs. McNaughton, Piche; J. B. Musselman, Regina; H. C. Fleming, Tate; John Evans, Nutana. The chief Resolutions passed were as follows:—

1. That the Dominion Government be requested not only to fix a price for the 1918 crop of wheat but to establish a minimum price for the period of the War or for the year after the close of the War.
2. That the Federal Government be asked to furnish complete returns of all profits made and by whom made under the War Profits Excess Tax.
3. That the Government be requested to regulate the price of all commodities in just proportion to the price of wheat.
4. That the Federal Government be asked to negotiate with the American authorities for the removal of unnecessary restrictions such as the $8 head tax debarring Canadians from entry to United States.
5. That the Federal Government be petitioned to extend the C. N. Railway line westward from the town of Bengough.

6. That the Provincial and Federal Governments should take immediate steps to have the inexhaustible coal-beds in the southern part of Saskatchewan developed.

7. That the Dominion Government be requested to appoint a Commission of Experts and an Inventions Board to work out problems in the standardization of farm machinery.

8. That Packers be prohibited selling bacon for Canadian consumption during the War.

9. That the Convention favours the closing during the War of all non-essential businesses.

10. That the Dominion Government be requested to take the necessary steps to obtain an amendment to the B. N. A. Act, which will make it possible to enact to the fullest extent Direct Legislation, including the Initiative, Referendum and Recall.

11. That the Federal Government should devise and put into operation an Insurance system for soldiers such as has been done by the U. S. Government.

12. That the same amount of pensions be granted the widows of privates as is granted to the widows of officers.

13. That in view of the fact that the drouth of 1917 so affected many settlers in our Province that they cannot themselves provide seed grain, either the Province or Federal Government should take steps to insure that every farmer affected be assisted to this extent.

14. That the Government appoint a Commission with power to set a valuation on all vacant lands, whether held by individuals or corporations and, where advisable, take them over at such valuation for settlement by returned soldiers.

15. That equal franchise be granted to all women in the Dominion.

16. That the Association extends a cordial invitation to the members of both Houses of Parliament at Ottawa to visit this Province as a corporate body, at such time as the agricultural resources of the Province are in the best condition for observation.

17. That this Association protests vigorously against any increase in Railway rates.

18. That the Government should follow the example of Britain and the United States in assuming control of, and operating, all Canadian Railways in one system.

19. That the Association give full support to the Greater Production Loan which is being floated for the purpose of financing the Farm Loans scheme in Saskatchewan, and in order to provide cheaper money for our farmers.

20. That the Government should own and operate all coal mines in the Dominion of Canada.

21. That the Association favours the amending of the Public School Act to make it compulsory for the teacher or some wholly responsible person to remain at school during the noon hour in rural or village schools.

22. That we consider it the duty of the Government to remove the duties on farm implements and machinery and set the price on same.

23. That every child in Saskatchewan should be given a practical knowledge of the English language, that all elementary schools should be brought under Government control and inspection, that an effective system of compulsory education should be enacted and that teaching of foreign languages in public schools be left till after four o'clock.

The Saskatchewan Co-operative Elevator Co., in its Report for July 31, 1918, showed 11 new elevators erected and two purchased, 12 new locals organized with a total of 314 such branches, 20,683 shareholders receiving a cash dividend of 8 per cent. with total net profits of $124,811. The grain

handled totalled 25,994,552 bushels through elevators and 1,071,700 over platforms. The Association's terminal elevator at Port Arthur was opened on Jan. 18th and in six months handled 3,057 cars of 4,000,000 bushels. A. G. Hawkes, Thomas Sales and J. E. Paynter were re-elected Directors. The Women's Section of the Grain Growers' Association met at the same time as the men's organization with Mrs. John McNaughton in the chair and full reports as to patriotic work and gifts of $9,546 in the year, regarding varied efforts to obtain better medical aid in rural districts, and of support to the Municipal Hospital scheme. Earnest appeals were made for food conservation and production, and many interesting addresses given, with the following officers elected: President, Mrs. S. V. Haight, Keeler; Vice-President, Mrs. C. E. Flatt, Tantallon; Directors-at-Large, Mrs John McNaughton, Piche, Miss Irma Stocking, Delisle, Mrs. Fannie Shepherd, Stalwart. There were 3,000 members reported and the chief Resolutions passed were as follows:

1. That we recommend Provincial registration of all women between the ages of 18 and 50 for national war service.
2. That the delegates present take up the question of providing and equipping municipal hospitals in their respective municipalities.
3. That the Provincial and Federal authorities be asked to co-operate in establishing a Federal Bureau of Child Welfare and the appointment of a Dominion Board of Health.
4. That the Department of Education give grants to those financially unable to provide higher education for their children.
5. That it is the opinion of this Convention that the present pay of soldiers is inadequate.
6. That the Department of Education be asked to make compulsory the medical inspection of rural schools.
7. That the Department of Education should require the attendance of a teacher during the noon-hour in schools and to supervise the play.
8. That the Provincial Government place a direct tax on land for the raising of Red Cross Funds.
9. That we urge the Federal Government to enact a law providing for equal pensions for privates' wives on the same scale as officers' wives.
10. That all newspapers, periodicals, magazines, etc., be required by law to publish in each issue under a sworn statement, the names of Editors, Owners and Stockholders.
11. That this Convention ask the Federal Government to remove the duty on labour-saving devices, and to confer on women the Federal Franchise on the same terms as men.
12. That we ask the Government to enact legislation whereby the mother of children will have equal rights with the father.

The 8th annual Convention of the Homemakers' Clubs of Saskatchewan was held at Saskatoon on June 25-28 with 180 working Clubs reported and 15 new ones formed during the year. Miss A. DeLury, Secretary, announced Patriotic funds raised in the past two years as totalling $56,828 and the articles made in the past year as numbering 13,045; Mrs. H. W. Dayton, President in Manitoba, spoke and Mrs. W. F. Cameron of Davidson was elected President.

Progress and Conditions in Alberta during 1918.

There was little of political controversy in this Province during the year; there was much activity in agricultural work and production and war effort; there were indications of great coming development in the far North or Peace River country; there were changes in the new Stewart Government which had 34 Liberal supporters in a House of 58 members. An early matter dealt with

by the Hon. Charles Stewart as Premier, in this first year of office, was that of suggested amendments to the Factory Act which were urged as a result of friction between the merchants or employers of Edmonton, Calgary, Lethbridge and Medicine Hat and their clerks as to hours of work. A large Deputation waited upon the Premier (Jan. 9) with a Memorial from the Boards of Trade in the cities mentioned, asking for uniform hours of trading in shops and business places, with Saturday evenings included for the convenience of farmers, and asking the suspension of the 1917 Factory Act which had clauses preventing this. Mr. Stewart admitted that some amendments were required but thought the law as a whole was good; "There is a growing evil in the employment of girls, perhaps not serious, but the Factory Act was framed to prevent it. The Act does not pretend to fix the opening and closing hours, but it does say that you shall not work your employees longer than a fixed number of hours." A large Delegation came again to the Premier on Feb. 28 and insisted upon relief—which later legislation gave them to some extent.

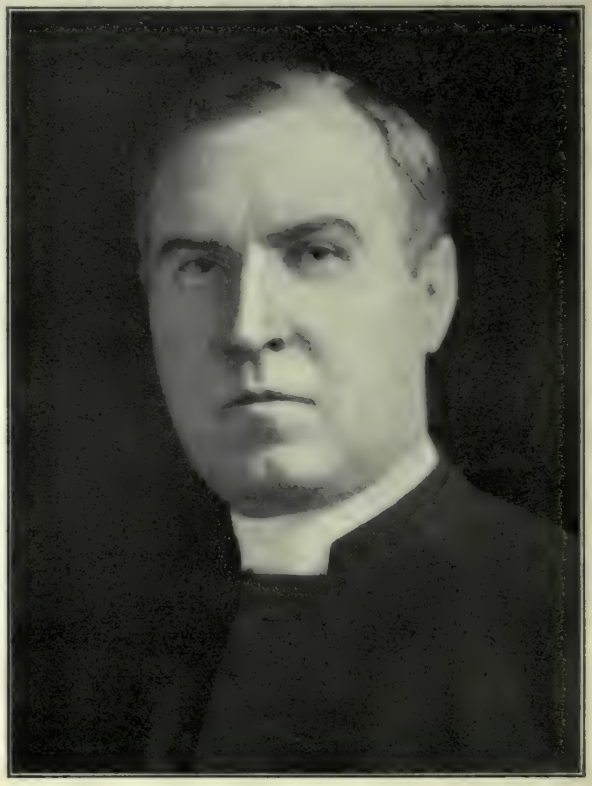
Addressing the Grain Growers' Convention on Jan. 22nd, Mr. Stewart told the delegates that their organization had been a large factor in making him Premier of the Province, that he hoped for their continued co-operation and considered Agriculture the paramount interest of Alberta. He promised special legislation as to Public Health, deprecated the proposal or passage of legislation without due thought, declared the Patriotic Fund a Dominion obligation but hoped that Alberta, nevertheless, would raise its 1918 quota of $800,000 as well as meet current Red Cross appeals. On Jan. 23 he told the Edmonton *Bulletin* that he was in favour of the Nationalization of Railways and establishment of a Government Board of Control. Like the other Western Premiers he took strong exception to the Federal War control of Provincial securities and wrote vigorously to Sir Thomas White on Jan. 24th. Addressing a Children's Aid Society meeting on that date Mr. Stewart promised the sympathy and financial aid of the Government to their work and, in the Legislature on Feb. 27th, he declared the paramount duty of the people to be increased production, stricter economy as essential to war action, and claimed that, at this time, the Dominion Government owed Alberta $800,000 in unpaid interest on School Lands. The Premier attended the February Conference in Ottawa and on Mch. 7th told the Legislature that he was not satisfied with its conclusions; a Social Service delegation waited on the Government (Mch. 15th) and complained that the Liquor Act was not being enforced and that their was no practical limitation on the amount of liquor to be brought in "for export" to which Mr. Stewart replied that he was not sanguine as to the absolute stoppage of liquor-drinking by legislation though the Government would see that the Act was enforced and, a little later, steps were taken accordingly; another Deputation on Mch. 28th asked for a Provincial Home for Incurables but were told that this and such questions as

Mothers' Pensions, Hospitals, etc., involved special taxation and depended upon public opinion; to a Delegation of coal operators on Apr. 3rd the Premier pointed out that the Provincial Government was spending $50,000 annually in connection with the operation of the coal mines and that the sum of $25,000 was being voted with a view to assisting in the development of a wider market, declared that the industry itself was not properly organized but would have to contribute its share to the public revenues in the proposed tax upon production.

A public luncheon was given Mr. Stewart at Edmonton on Apr. 13th by the Ministers and members of the Legislature and, in his reply to various speeches, he affirmed his strong Liberalism, said nothing about the Union Government, and much about the returned soldier. During the summer he visited England and the Front and came back with enthusiastic eulogies of the part taken by Great Britain in the War. As he put it in a press interview of July 31st: "The people who say that Great Britain is making no sacrifices had better go across and see, and then they will be amazed at what the Old Country has done and is doing in the War." To a War demonstration on Aug. 4th he said: "England is saying little but, everywhere under the surface, war-work is proceeding with wonderful energy, unanimity and earnestness." He praised the Canadian troops and declared that they were taking few prisoners at the time of his visit and that, in this, he could back them up after seeing so many evidences of German brutality. In other speeches he said that there were 25,000 American soldiers on the ship going over and that they were prone to accuse England of not doing her share in the War; such extraordinary statements Mr. Stewart dealt with forcibly and clearly.

Accompanied by Hon. A. G. MacKay and others the Premier visited the North country in September and inspected the railway and agricultural development of that great region. Just before his departure for the November Conference at Ottawa he stated that the Government had been looking into the facts as to Civil Service salaries and decided to set apart $30,000 to be expended under regulations and in bonuses to members of the Service who had been employed continuously since 1917, and whose salaries had not been at a higher monthly rate than $110. At an Edmonton meeting on Dec. 13th after his return from Ottawa, Mr. Stewart stated, rather clearly, his view of Canada's future: "Canada should enjoy all the privileges of a virtually independent country—the tie connecting it with Great Britain being more a sentimental one than anything else." It should be altogether free within the Empire and there should be no Privy Council appeals or such ties of Union. Health, Housing and Sanitation were announced elements in his own Provincial policy. At Calgary on Dec. 19th he indicated extreme dissatisfaction with the failure of the 2nd Ottawa Conference to give the West control of its natural resources and told a Grain Growers' meeting that in less than 10 years

THE HON. GIDEON DECKER ROBERTSON,
Senator of Canada; Appointed Minister of Labour in 1918.



THE VEN. AND HON. HENRY JOHN CODY, M.A., D.D., LL.D.,
Appointed Minister of Education in Ontario, 1918.

the greatest part of the population of Canada would be living west of the Great Lakes and intimated that there was "a danger of the West, when it came to this position of power, retaliating for present wrongs, taking judgment into its own hands and punishing the East for the injustices now being perpetrated."

Administrative and political incidents of the year included an announcement in July of the Government's intention not to continue its post of Agent-General in London, with the transfer of the Alberta offices to the Khaki University and the return of J. A. Reid, who for five years had held the post, to a Civil service position at Edmonton; the decision stated at the first of the year to postpone operation of the Farm Loan Act to a season more suited to the borrowing and lending of money; the effort of W. A. Rae, M.L.A., and other Peace River interests in Alberta and British Columbia to obtain completion and linking up of both the P.G. & E. Railway of British Columbia and the E.D. & B.C., Line of Alberta; the appointment of a special Commission composed of A. A. Carpenter and A. G. Browning, Deputy Attorney-General, to investigate the operation of the Factory Act with special reference to retail business; the Report of the Workmen's Compensation Commission composed of J. T. Stirling of the Mines Department, W. F. McNeil of Calgary, for the Coal Operators' Association and J. A. Kenney, President of the Alberta Federation of Labour, which had held 20 sittings, examined 165 witnesses, and recommended (Jan. 28th) an increase of 15 to 40 per cent. in compensation for workmen, more care in prompt collection of moneys due, quicker action in payments and abolition of litigation, wherever possible, with the appointment of a Board to administer the proposed Act; the statement by the Public Utilities Board of Alberta that up to Nov. 30th, 1917, its operations had saved the public from many harmful or useless stock issues and had, during the year, prevented the public offer of $3,500,000 of securities of this nature; the appointment of A. A. Carpenter, Member of this Commission, as a Special Commissioner to determine the rate of taxation to be paid in the rural parts of the Province, under the Supplementary Revenue Act, and to deal with about 40,000,000 acres of land which might be brought under the Act.

The Railway situation of the Province was dealt with in a Report issued by Mr. Stewart as Minister of Railways, which showed that the total security of lines in Alberta on which the Dominion Government had given guarantees aggregating $45,520,450 was $58,092,157, or $12,571,707 in excess of the Guarantees, with 1,855 miles of guaranteed railways in operation in the Province. The Premier expressed the view that to obtain such a mileage through the guarantee of railway bonds, for which the Province had ample security, was a subject for congratulation. Altogether, he said, the Province had 4,515 miles of railway within its limits, Saskatchewan 6,165 and British Columbia 3,476. Upon the collateral subject of Good Roads L. C. Charlesworth, Deputy-Minister of Public Works, stated on Mch. 25th that the roads which had been so far improved

in the Province had cost all the way from $50 per mile up to $700 or $800 per mile but that a perfect system would cost $5,000 a mile. The weight of farm products alone in Alberta during 1917 was over 5,000,000 tons:

> The greater part of this was hauled over the roads and, with coal, lumber, merchandise and products of all kinds, I think it is safe to estimate that a total of ten million tons of freight annually passes over our roads. The average haul is probably a shade under ten miles. The cost of hauling, which has been estimated for the United States and which is probably applicable here, is 25 cents per ton per mile. With a sufficient mileage of good, surfaced roads, this could doubtless be reduced to ten cents per ton per mile with a total annual saving of $15,000,000.

So, in other directions, with a total yearly saving, under such conditions, of $26,000,000 and the addition of $5.00 per acre to farm values or, for 20,000 miles of good highways, an increase of $100,000,000. The Highways Branch of the Public Works Department constructed 328 bridges in 1917, opened up some minor roadways and operated 72 Ferries; and the Hon. A. J. McLean, Minister, urged greater development in this respect; the Fire Insurance Reports for 1917 showed Premiums of $2,556,816 and Losses of $853,787; the Provincial Police were re-organized in May with divisional headquarters at Edmonton, Red Deer, Calgary, Lethbridge and Peace River and Lieut.-Col. G. E. Bryan of the R.N.W. M.P. as Acting Superintendent; the annual Report as to Dependent and Delinquent Children, issued by the Attorney-General's Department, showed in 1918, 79 Juvenile Court Commissioners throughout the Province, effective Children's Aid Societies at many points, with 267 cases of delinquency or neglect tried at Edmonton and 516 cases adjusted out of the Juvenile Court, with 336 Court cases at Calgary. The Hon. Wilfrid Gariepy during the year, as Minister of Municipal Affairs, proposed a new scheme to meet the ever-difficult Hail Insurance problem and it was worked out in current legislation.

On June 26th the Alberta Court of Appeal—Chief Justice Horace Harvey dissenting—held in the case of Board *vs.* Board that the Provincial Supreme Court was competent to hear and determine Divorce suits, on the ground that the laws of England in force in the former North-West Territories prior to July 15th, 1870, were still binding; the Provincial Moving Picture Censorship was re-organized in August by the addition of two women to the Board and with special attention directed to children's needs and position: a keenly hostile open letter was written to Sir Robert Borden by W. A. Rae, M.L.A., of Peace River and published on Nov. 16th which denounced the Dominion Premier for Conscription and the removal of exemptions; on Dec. 5th Hon. A. J. McLean, Minister of Public Works, announced a large programme of construction for the new year including $150,000 for buildings at the Farm Schools of Olds, Claresholm and Vermilion and of $500,000 on Departmental buildings at Edmonton; amongst Provincial appointments of the year were Norman L. Hardy as Deputy-Minister of Railways, E. T.

Fitzsimmons as Fuel Administrator, J. T. Boyce, Registrar of the Department of Education and L. L. Johnson, Vocational Officer for Alberta.

Meanwhile there had been some important changes in the Government. On Aug. 22nd it was announced that the Premier had asked the Hon. Charles W. Cross, K.C., Attorney-General, for his resignation and a little later it appeared that the Order-in-Council appointing Mr. Cross had been formally rescinded. No reasons were given and no correspondence published but it was believed to be an aftermath of the fight made by Mr. Cross to hold Alberta Liberalism for Laurier and against Union Government in 1917—a policy which neither Sir Clifford Sifton nor his brother Hon. A. L. Sifton, lately Premier of Alberta, would readily forget. Thus, after membership in the Provincial Government from its organization in 1905 and a general expectation that he would some day be Premier, Mr. Cross had retired. He was replaced by Hon. J. R. Boyle, K.C., Minister of Education, who had been in the House 11 years while Hon. A. G. MacKay, K.C., M.L.A., for Athabasca, one-time Leader of the Liberal Opposition in Ontario, took office as Minister of Municipal Affairs and Public Health and the Hon. George P. Smith, member for Camrose since 1909, and Provincial Secretary since October, 1917, became Minister of Education.

The Hon. Wilfrid Gariepy left the Municipal Department and became Provincial Secretary but, on Sept. 25th, resigned that post for announced business reasons and Jean Louis Coté, member for Grouard since 1909, was appointed in his place. Mr. Gariepy, who had been an earnest and eloquent member of the Government since 1913, went to reside in Three Rivers, Que., where he had entered into Law partnership with Hon. Jacques Bureau, K.C., M.P. Messrs. MacKay and Coté were re-elected by acclamation but another bye-election was keenly contested—Red Deer, vacated by the appointment of Edward Michener, Opposition Leader, to the Senate. J. J. Gaetz was the Liberal candidate and W. F. Galbraith ran as an independent Liberal but was described by the Government press as a Unionist. The Premier, speaking for Mr. Gaetz at a meeting on Oct. 8th, laid stress upon the Government's policy in trying to curb wildcat speculations in real estate, oil, etc.; Mr. Galbraith was praised by the Conservative press because he had stood for Conscription and supported, as a journalist, the Military Service Act and he was endorsed in speeches by Senator Michener, Dr. Michael Clark, M.P., and other Unionists; various Ministers—Messrs. Smith, Mitchell, Boyle, Marshall and MacKay—spoke for Mr. Gaetz with about 50 meetings addressed by other Liberal speakers; in the result the Government nominee won by a sweeping majority of 879 in a seat held by Mr. Michener in 1917 with 23 majority.

The 1st Session of the 4th Legislature of Alberta was opened by Lieut.-Governor R. G. Brett with a Speech from the Throne in which he referred to the War, the imperative duty of food production and the death in action of Lieut. J. A. Stauffer, M.L.A. for Didsbury; promised a measure of Civil Service Reform looking to

greater efficiency and economy in cost; intimated that the Patriotic Fund contribution of 1918 would be raised by special taxation and foreshadowed a measure to that effect; promised legislation giving compensation to injured miners and Provincial co-operation with the Dominion Government in aiding returned soldiers with, in particular, the undertaking of new and necessary public works to give them employment. The Address was moved by W. A. Rae of Peace River and D. Morkeberg of Innisfail and passed after speeches by the Premier and the Opposition Leader. This first meeting of the Legislature was notable for (1) the re-election as Speaker of Hon. C. W. Fisher who had held the post since the creation of the Province in 1905; (2) the presence for the first time in the history of English institutions of two women members in the House—Mrs. L. C. McKinney and Miss Roberta MacAdams; (3) the appearance of many members clad in khaki and the absence of four at the Front; (4) the election of a new Leader of the Opposition in the person of George Hoadley. Mr. Hoadley was an Englishman who had settled in Alberta during 1890 and been elected to the Legislature as a Conservative in 1913; at a Caucus of the 19 Opposition members, on the 8th, the matter of electing a successor to Mr. Michener, recently appointed to the Senate, was discussed with the final selection of Mr. Hoadley as Leader in the House—the names of James Ramsey, A. F. Ewing, K.C., of Edmonton, and others being discussed, also, in the press.

The ensuing legislation of the Session included Acts reducing the Succession duty exemption on property passing to a near relation from $25,000 to $10,000—unless the property of a deceased soldier—and exempting property bequests for religious, charitable or educational purposes only up to $2,000 with a generally higher range of taxation; amending the Sale of Shares Act by specifying securities not coming under its terms, granting certificates of selling for one year only and renewable for a year at a time, and exempting Co-operative Societies from the requirement of licenses to agents; providing an increase in Provincial revenues by an annual tax in every city, town and village of one mill on the dollar, and in rural areas of four cents per acre, or such lesser amount, down to two cents per acre in any municipality or other unit, as might be fixed by a Government Commissioner; amending the Trust Companies Ordinance by extending the term "trust company" to any concern constituted or operated within the Province for the purpose of acting as executor, administrator, trustee, receiver, assignee, agent, liquidator, guardian of a minor's estate or committee of a lunatic's estate; amending the Insurance Act to compel outside Companies to appoint a resident in the Province upon whom any process against the corporation could be served and defining the liability of a Company on contracts of hail insurance as similar to that in Manitoba and Saskatchewan; authorizing the Minister of Telephones to grant registration as a limited Company to any Association desiring to carry on Telephone business but only for that purpose; providing for collection of a Tax from persons

attending places of Amusement with graded assessments from one cent upon 10 to 20 cent tickets of admission up to 25 cents upon a price of $2.00; amending the Corporations Taxation Act so as to increase the rates on Bank branches, established in the Province, from $125 to $200 a year with a charge of $500 on Gas companies other than municipal and a special tax of $1,000 on Power companies in communities exceeding 1,500 in population.

Other measures gave municipal districts power to borrow money under by-law, on the guarantee of the Province, for the purchase of seed grain to be supplied to resident owners and tenants, with the written consent of the owners, on patented lands—not to exceed $300 in value for each quarter section with notes taken payable on demand; provided, under Government permission, for any person or any chartered bank in the Province to advance money for the purchase of seed grain, to owners or occupants of patented lands other than those in municipal districts; amended the Dairymen's Act to give the Minister of Agriculture power to issue licenses to creameries, cream stations, cheese factories and to testers of milk and cream with a fee of $5.00 and to make any person or concern, engaged in this business and discriminating in the price, liable to a penalty of not less than $50 nor more than $500, while empowering the Minister to define grade standards and description of Dairy products; organized Provincial Highways into three classes—main, district and local—and enacted that 75 per cent. of the cost of construction of main highways and 25 per cent. of that on district highways should be borne by the Department of Public Works, and the balance, with the cost of local highways, be borne by the local authorities; amended the School Ordinance to fix $70 a month, or $840 per year, as the minimum salary of the teacher of an ungraded school—where only one teacher was employed.

Legislation was also passed which authorized the Minister of Municipal Affairs to divide the Province into Hospital Districts under certain limitations as to petition and numbers asking for it, to fix the number of members of the Hospital Boards and to appoint a proportion of them to act with these Boards and the Board of Utility Commissioners—subject to ratepayers' approval—in selection of sites and construction of hospitals; exempted soldiers from taxation on land or home buildings until one year after a declaration of peace by Great Britain; amended the Farm Machinery Act to make sales of machinery, whether so contracted or not, include a warranty as to repair by the vendor during a period of 10 years; changed the Dower Act so as to remove a wife's interest in property when living apart from her husband under conditions disentitling her to alimony. A Hail Insurance Act was passed for specific areas, subject to by-law votes by districts as to its application, each District to be controlled by an elective Board, regular returns to be submitted by all owners and occupiers of land liable to assessment, the maximum indemnity paid for total loss to be $8.00 per acre, a fixed rate to be levied upon each acre of crop insured and to be decided yearly by the District Board after Sept. 15th, the amount

not to exceed 20 per cent. or to be less than 10 per cent. of the total indemnities paid in the current year. Another Act dealt with the prevention of Venereal diseases and authorized the examination of persons under arrest for alleged infraction of the Criminal Code and for detention, isolation, treatment, etc., with powers of entry upon premises, search and examination given under certain conditions and with appeal to the Provincial Board of Health whose decision was to be final.

The Small Debts Act, the Village and Rural Municipality Acts, the Boilers Act and that concerning Official Guardians, the Improvement District and Subdivision Acts, the Timber Area Act, were all amended in more or less important detail. In general legislation the Educational tax on land was raised to 1½ cents per acre and moneys received from the Motor Vehicles Act were allotted to roads and bridges; a person found committing an offence against the Liquor Act could be arrested without warrant. A Special Act provided for the regulation of Liquor Export Warehouses and for detailed reports of liquor so stored or shipped; another Act regulated the Public Service, divided it into graded classes, fixed a scale of salaries and provided for an Efficiency officer to supervise the Service; the Live-Stock and Mines and Public Utilities Acts were amended to increase their effectiveness and the Great War, Next-of-Kin, Association was incorporated.

The first division of the Session took place on Mch. 7th as to a motion by A. F. Ewing, K.C., that the Camrose sub-judicial district was "unnecessary and undesirable" and the vote was 27 for the Government and 13 Opposition with H. J. Montgomery (Lib.) voting against the Government; on motion of Mr. Hoadley the Legislature (Feb. 28th) decided to ask the Federal Government to set apart all the available Indian lands to be used as part of any scheme in connection with the settlement of the returning soldiers upon the land; a debate on Feb. 28th elicited some strong criticisms of Western Premiers for not pressing more vigorously the subject of natural resources at the recent Conference—shared in by Hon. A. G. MacKay and others—while J. G. Turgeon pointed out that the Conference had not been called to consider the natural resources question and that the matter was only put on the agenda in response to a telegram from the Western Premiers; on Mch. 6th Mr. Hoadley, the new Opposition Leader, presented elaborate suggestions for creation of a Provincial Council of Production with special powers for the control and aid of operations; Mrs. L. C. McKinney, who with James Weir represented the Non-Partisan League in the House, urged (Mch. 6th) that the Dominion Government should at once take over all the coal-fields in Alberta with operating mines, and develop the unworked seams; the House on Mch. 8th endorsed, by Resolution, Mr. Dunning's proposals, as Director of Production under the Food Board, that all duties should be removed from farm machinery and a minimum price fixed for wheat.

The position of the Provincial Police aroused a heated debate on Mch. 19th with remarks as to dismissals for offences against the

law and for desertion, with the approval, by 25 to 12, of the Premier's commendation of the Police Commission for having "organized so efficient a Force in such a short space of time"; in response to an eloquent plea (Mch. 21st) from Mrs. McKinney, the Government announced its intention to establish institutions for the Feeble-minded of the Province; Mr. Stewart stated on Mch. 22nd that no Railway construction would be guaranteed during 1918 under any circumstances and, in obtaining a Loan vote of $1,000,000 for the purchase of Telephone material and maintenance, Mr. Stewart told the Legislature on Apr. 5th that rural rates would have to be increased because of the cost of material and labour; the Opposition severely attacked the measure taxing coal-mine operators 5 cents a ton on coal produced and Mr. Hoadley's motion of rejection on Apr. 11th was defeated by 25 to 14. Details of legislation not elsewhere mentioned included the change of the Soldiers' limited Moratorium as to mortgages into a general one to last while war was in progress; the exemption of Railway men at their own request from the Compensation Act; the incorporation of the United Farmers of Alberta and, following the Report of the Factory Act Commission, amendments to that Act exempting drug-stores, increasing the powers of Inspectors to authorize employment above the legal 8 hours, but forbidding employment of women in shops or factories, etc., between 11 p.m. and 7 a.m. The Legislature was prorogued on Apr. 13th, the Premier banquetted and the House Leader of the Opposition congratulated by his caucus upon the non-partisan conduct of affairs during the Session—a proposal to make him permanent leader being put aside by Mr. Hoadley in favour of a future Party Convention.

The finances of the Province were dealt with in the Budget speech of Hon. C. R. Mitchell, Provincial Treasurer, on Mch. 17th. Mr. Mitchell described the wealth of the Province in glowing terms with a total value for all 1917 production of $333,309,183 or an increase over 1916 of $125,470,885, due in part, to increased prices; he estimated the total of Provincial Assets as $131,113,733 while the bonded Debt on Dec. 31st, 1917, was stated at $30,045,172 with a sinking fund of $550,027. He pointed out that the result of enhanced production and increased prices was increased prosperity and that this was already spreading from the rural districts to the towns and cities: "Farmers who once had to apply to the Government for seed grain were now abundantly supplied, owing to the prosperity of the last three years. This, also, was reflected in increased Bank clearings and importations of machinery, motor cars, etc., and one of the largest machinery concerns had reported that 92 per cent. of its business in Alberta last year was done on a cash basis." The public revenues, meantime, had been almost stationary in 1915-16 with a slight increase in 1917 while necessary expenditures had increased yearly; hence the deficits which the Treasurer had to report from year to year and the current additions to Taxes which were proposed by various enactments; there would, even then, be a probable deficit in 1918 of $200,000.

Of the $2,500,000 of loans authorized by the Legislature in the past year for capital purposes only $2,346,301 had been borrowed and this included payment of a $500,000 indebtedness; the Revenue on income account in 1917 was $6,260,106, the Expenditures $6,752,-502 or a deficit of $492,396. Special matters mentioned included a total of moneys alleged to be due from the Dominion on School Lands—which could not be collected—and was put at $2,631,676 while 1917 arrears, which Mr. Mitchell said could be collected, were $800,000; the Wild Lands Tax had fallen short of estimates by $948,559 but the Treasurer hoped for $400,000 from motor vehicles in the coming year; the Live-Stock Encouragement Act or popularly known "Cow Act," was described as a complete success with $500,000 lent in 1917 and $1,000,000 promised for 1918. In Expenditures there were increases of $379,592 in the Public Works Department, chiefly for roads and bridges; $40,241 for new schools and larger salaries—to teachers in Agriculture chiefly; $80,839 to promote production and $96,338 for increases in Hospitals and Public Health.

The growth of the wool industry from 1½ million pounds in 1914 to 2,086,000 in 1917 was dealt with and its increase in price from 16 cents to 57 cents a pound noted. The estimated Revenue for 1918 was $8,051,410 and, on capital account, $2,779,942, with estimated Expenditures of $8,252,826 and $2,307,100 respectively. The chief criticism as to the Budget was directed against the large and increasing amount of unpaid taxes—the Municipalities being in arrears $15,000,000 and the Tax collection system frequently inoperative; there was, also, the inevitable comparison of the $3,353,000 expenditures of 1912 with the $8,000,000 of 1918 and the increased Debt of $4,000,000—though Mr. Mitchell claimed $13,000,000 of the indebtedness to be revenue-producing. In June a Loan issue was made of $825,000 10-year, 6 per cent. gold bonds.

In his five-year term as Minister of Education for Alberta, the Hon. James R. Boyle, K.C., did much good work for a Province where education was a difficult problem owing to problems of distance and race. He was faced in 1918 with a serious shortage in teachers; the total number entered in Provincial Normal Schools during 1915 had been 601, in 1916 438, and in 1917 331; at the beginning of the War a great many enlistments of male teachers occurred as well as from the ranks of students who would have become teachers and the M. S. A. took still more; yet average salaries increased from $792.72 in 1915 to $828.69 in 1916 and, in 1917, to a minimum fixed figure of $840. Mr. Boyle pointed out on Jan. 11th that, in the past year, although much missionary work was done to get qualified teachers, the Department had found itself obliged to issue 838 provisional or temporary certificates. Even then a considerable number of schools had to remain closed. This shortage of 1918 would amount to 900 or 1,000 and the Minister attributed the trouble very largely to enlistment—600 having joined the Army up to this time with, also, many University

students. An appeal was made to Ontario, in March, and the terms of employment make public with special railway rates offered and assured employment with salaries ranging from $700 to $900. Miss M. M. Whitmore carried the appeal personally to the East and did her best for recruits; Mrs. Nellie McClung sought help in British Columbia and the Minister of Education did his utmost to encourage Consolidated schools and thus economize in teaching requirements. Speaking to the United Farmers at Calgary on Jan. 23rd, Mr. Boyle advocated this latter system because:

> Consolidation of rural school districts, providing conveyance for the children to a central point, makes possible graded classes and good teachers with the best results, makes possible a better attendance in the elementary classes, provides for pupils completing their elementary grades at an earlier age and commencing their secondary studies at the earliest period at which they come into possession of their full mental powers, and then, the greatest of all, it provides a secondary education for all pupils—one which it is possible to make more practical than any that can be given in the towns and cities because of the fact that all of the pupils will be studying for one business, the business of farming, and, therefore, it is possible to give the instruction from the lower grades right to the highest grade of the high school department a decided agricultural vocational bent.

During the Legislative Session important changes were made in the school laws in order to promote free medical inspection and dental treatment of pupils, to authorize School Boards to charge a fee of 20 cents a day for non-resident pupils and to borrow money for establishing schools where ratepayers may have voted against them, enabling the Minister to call a vote on questions of consolidation and fixing the minimum teacher's salary at $70 a month. In the House on Mch. 13th Mr. Boyle stated that there were 45 consolidated schools in Alberta and the Department had about 100 more applications from School Boards asking for a vote to be taken. There was a consequent saving in sight of 70 teachers. In 1917 the Department had obtained 310 1st class teachers from the outside and had 87 trained in the Province. There now were 125 2nd class teachers from the outside and 237 trained in Alberta with 187 3rd class from outside and 34 with a standing from the Province. In 1917 there were 381 teachers trained in the Calgary and Camrose Normal Schools and this year there were only 208 students in those institutions.

On Mch. 24th Hon. G. P. Smith, Provincial Secretary, made a notable speech on Education in the House and explained the large current appropriations of $1,667,173 for this purpose—$448,000 larger than in any previous year. The Government, he stated, proposed to increase the school Inspectors with a view to building up local school efficiency and community interest; to increase the rural school grants $200 a year; to increase the elementary grants to Wetaskiwin and Red Deer, Lethbridge and Medicine Hat, Calgary and Edmonton; to increase the grants to all High Schools in the Province to $1.50 a day for each teacher; to hereafter provide from the Provincial Treasury $300 a year for every room where high school work was provided for non-

resident pupils. In Technical education the busy cities would get advances on a basis of 30 per cent. of salaries to the maximum of $6,000 and 10 per cent. of equipment to a maximum of $5,000. Towns and other places were to be graded proportionately. One-third of the cost of rural residences for teachers would be assumed and Consolidation schools further aided; night schools' work would be widely extended, especially in non-English districts with, also, Summer Schools for teachers; special provision would be made for returned soldiers with loans sufficient to give them Normal School training; a free summer school of five months for all who desired to brush up and prepare for further educational work would be supplied, with also, technical instruction. Besides all this there would be a large vote for Agricultural education with the Dominion subsidy for that purpose in addition.

The Convention of the Alberta Educational Association opened at Edmonton on Apr. 2nd with many able addresses and about 1,200 teachers in attendance. T. E. A. Stanley, Calgary, presided and declared that the question of scarcity in teachers could only be settled by making the profession more attractive together with better salaries, a better social standing, and a recognition of the public service of the teachers by admission as members of the Civil Service. J. G. Taylor, B.A., Edmonton, was elected President and Resolutions were passed in favour of (1) a Dominion Bureau of Education with $250 appropriated toward its organization; (2) formation of a Trustees Section of the Association and a pooling of the expenses of teachers in attendance; (3) appointment of a Committee to obtain uniformity in the words of "O Canada." Affiliated with this organization was the new Alberta Teachers' Alliance with 18 Locals formed, over 1,000 teachers in membership, and 9 other Locals in course of organization. Its President was George D. Misener and its policy was to apply to this profession the working ideas of the United Farmers of Alberta; in July it was incorporated as a consolidation of teachers' interests and organizations.

The last Report of Mr. Boyle, as Minister, covered the year 1917 and dealt with the scarcity of teachers, consolidation of schools and other problems. Statistically it showed 2,736 school districts or an increase since 1914 of 377; 2,495 as the number of Districts with operating schools or an increase of 468; a total enrollment of 107,727 or an increase in pupils of 17,817. The attendance at the Normal School, Calgary, was 208 and at Camrose 126; at the Summer School of Teachers it was 3,030. The average attendance of pupils at all schools was 65,374, the total grants to School districts $652,557, the school debentures authorized $305,865, the expenditure on School buildings $462,012 and on teachers' salaries $2,620,085. At the end of August Hon. George P. Smith became Minister of Education and in September attended the Educational Conference at Banff.

As to higher education the University of Alberta had more names on its Honour Roll of war than on the current list of stu-

dents; in February, 1918, there were 347 of the former and 324 of the latter. The 8th annual Convocation was held on Apr. 30th with addresses by Hon. C. A. Stuart, Chancellor, Hon. C. R. Mitchell, Hon. J. R. Boyle and Chief Justice Harvey. Dr. W. A. R. Kerr, Dean of the Faculty of Arts, presided in Dr. Tory's absence and a large number of degrees were conferred. Of affiliated institutions Alberta College, Edmonton (Methodist) had 1,192 pupils; Robertson College, Edmonton (Presbyterian) had 20; Western Canada College, Calgary, 104; Westward Ho! Edmonton, 27. Other Alberta institutions included the Jesuit College, Edmonton, with 116 students and Alberta Academy 191. Alberta College was in a particularly prosperous condition with a registration of over double the number of 1914 and more than 30 distinct nationalities represented in its attendance. Its Board was re-organized during the year with Hon. H. C. Taylor as Chairman, Rev. D. E. Thomas, PH.D., acting Principal of Alberta College South, and Rev. F. S. McCall, B.A., Principal of Alberta College North. It was decided not to link the Theological faculty with that of Wesley College, Winnipeg, as had been proposed. Mount Royal College, Calgary, under Rev. Dr. G. W. Kerby, had a registration of 432 compared with 397 in 1917 and, also, 80 students overseas.

The Agricultural production of Alberta and the activities of its Minister and Department of Agriculture were equally notable in 1918. The successful operation of the Agricultural Schools at Olds, Claresholm and Vermilion, with 328 students in attendance, continued under Mr. Marshall's supervision as did the distribution of seed grain and careful collection of statistics; a Sales service for Eggs and Poultry was in successful operation and District Agents made more satisfactory progress; the Dairy industry continued to improve with a basis of 325,861 milch cows worth $29,083,000 and the work of the Demonstration Farms increased in usefulness; the Live-Stock Commissioner aided the Breed Associations and the ranchers and farmers by various technical measures with such Government support as the so-called "Cow-Bill" gave in its Loans for the purchase of cattle; the Women's Institutes increased their branches from 135 to 212 in 1917 and membership from 3,700 to 8,000 and the process continued in 1918 with the study of Home economics and Agricultural conditions and improvement as an active policy; the Seed and Weed Branch, the Poultry Superintendent and the Marketing Commissioner continued their work with energy while the Publicity Commissioner (C. S. Hotchkiss) was able to state a five years' increase in population of 32½ per cent., an Immigration total for the year ending Mch. 31, 1917, of 12,418 and Homestead entries of 3,978; the Provincial Sanitary Engineer dealt with one phase of health while the Reports of the Provincial Laboratory and the Provincial Medical Health Officer showed work in another sphere and a total of 5,425 cases of infectious disease—vastly increased by the Influenza of 1918; vital statistics showed 13,576 births, 4,270 marriages and 4,047 deaths in 1917; there were 123 Agricultural Societies in the Province.

The Hon. Duncan Marshall, Minister of Agriculture, made many speeches during the year in the encourgement of production and promotion of varied forms of farm activity. He described on several occasions the great value of automobiles to farmers and stated at St. Paul (Jan. 2nd) that there should really be a law to compel every farmer who possessed the means to purchase a car. He attended the Ottawa Conference in January and stated in Toronto on Jan. 19th that: "Our farmers, who have made money raising wheat, which they sold for high prices, are practically all putting it into stock and as a result there are actually more head of cattle in Alberta to-day than there were at the outbreak of the war. All of the farmers are increasing their stock both of cattle and hogs." At this time the question of farm labour was the vital problem and he spoke at several United States centres with a view to promoting labour and permanent emigration to Alberta. At Edmonton on Feb. 20th the Minister told a Dairymen's Convention that in 1914 there were 179,000 cows in the Province while, in 1917, the number was 325,000. He also stated that the Ford tractors received through the Food Board would be sold at $795 but that the Government would not purchase any tractors outright—the difficulty in getting trained men to operate them being too great. On Mch. 12th the Minister announced a careful plan for increasing production; the Province was divided into 16 Districts, each in charge of an Agent, and the whole co-ordinated with the Department and aided by a $25,000 grant from the Food Board.

To the seven Demonstration farms already in operation the Minister added another in June by a purchase at Raymond and, meantime, the farmers had responded with energy to the appeal for more production—the area planted in wheat being 1,000,000 acres greater than in 1917. Then came the dry period and a belt of country covering Bow Valley, Redcliff, Medicine Hat, Taber, Warner, and a portion of Cardston was disastrously affected by the drouth; there followed, also, throughout Southern Alberta the menace of a great shortage in feed for the wintering of its Live-stock. The Department did its best and the farmers of the North and ranchers of the South eventually came together with supplies assured. Final official figures in November showed a total field acreage of 7,185,896 with a product valued at $213,287,701 by the Provincial Department; the revenue from the Live-stock industry was $187,376,188. H. A. Craig, Deputy-Minister of Agriculture, referred on Nov. 14th to the difficulties of the year—drouth in the southern and eastern parts of the Province, a heavy frost in the northern and north-eastern portion. Despite these conditions the general prosperity was well maintained with the possession of horses valued at $84,-662,000 (Federal statistics), cattle at $125,971,000, sheep at $4,983,-000 and swine at $14,437,000—a total Live-stock valuation of $230,-053,000 or a $14,000,000 increase in the year. The Federal statistics of Field crops were as follows:

Crop	Area acres	Yield per Acre bush.	Total Yield bush.	Average per Bushel or Ton	Total Value
Wheat	3,892,489	6·00	23,752,000	$1.92	$45,604,000
Oats	2,651,548	22·75	60,323,000	.73	44,036,000
Barley	470,073	16·50	7,756,000	.97	7,523,000
Rye	47,877	17·25	826,000	1.41	1,165,000
Flax	95,920	5·00	480,000	3.12	1,498,000
Potatoes	44,247	70·50	3,119,400	1.11	3,462,500
Turnips, mangolds, etc.	12,506	188·50	2,357,400	.66	1,555,900
		Tons			
Hay and Clover	469,000	·85	398,700	15.82	6,307,400
Alfalfa	24,285	2·00	48,600	21.50	1,044,900

Peas, beans, mixed grains and fodder corn were small products and totalled $876,000 in value. Agricultural incidents of the year included the grant of $66,965 under Dominion Act for aiding agricultural education; the increasing investment of American money in Alberta lands illustrated in the purchase during March of 122,000 acres, owned by the Knight-Watson Ranching Co. in the Sterling and Raymond districts, by two Spokane syndicates with A. H. Hoover at their head and $3,000,000 as the price said to have been paid; the evidence of official figures at Land Titles offices showed the largest land sales on record with higher prices given and asked than ever before—values in the North running from $15 to $30 an acre and in the South from $50 to $75. This breaking up of the large ranches proceeded rapidly and C. S. Noble, who had purchased 20,000 acres of the Cameron ranch near Lethbridge, spent $50,000 in improvements at this time and cropped the greater part of it during the year; in April O. F. Malmberg of High River, who was said to have arrived there 13 years before with a farming outfit and $20 in cash, purchased the 11,000-acre Eldridge Ranch in the Cardston district to add to the 3,100 acres of wheat land which he already operated; another land deal was the purchase at this time of 4,800 acres near Grassey Lake by Dr. C. L. Gritman and associates of Moscow, Idaho, while J. A. Irvine of Spokane paid $77,000 for sections of land in Killam district; a little later the Nieback holdings of 3,200 acres near Nobleford were purchased by D. D. Handy of California. The Fur trade of the year showed large development with estimated totals of $10,000,000 and the statement that 50,000 coyote pelts were shipped out of the Province with 1,500,000 rat hides—the latter used in lining coats for aviators. At the close of the year the Dominion Government made arrangements to partly open up the Blood Indian Reserve near Lethbridge; on Dec. 1st American representatives of International Live-Stock interests presented to the Saddle and Sirloin Club of Chicago a portrait of Hon. Duncan Marshall, Alberta's Minister of Agriculture, in recognition of his efforts to promote the Live-Stock industry in Canada and for the services he had rendered the International Exposition. The Agricultural and Live-Stock Associations of Alberta were very active in 1918 and included the following:

Name	President for 1918	Address
Alberta Agricultural Fairs Association.	E. L. Richardson..	Calgary.
Alberta Swine Breeders' Association ..	W. J. Hoover.....	Bittern Lake
Alberta Sheep Breeders' Association...	A. B. Campbell ...	Edmonton.
Alberta Horse Breeders' Association...	David Thorburn ..	De Winter.
Alberta Cattle Breeders' Association..	Angus McDonnell .	St. Albert.
Alberta Hereford Breeders' Association	Simon Downie ...	Carstairs.

The Mining interests of Alberta constituted a problem of wide importance in 1918 and have been, more or less, dealt with in respect to Labour matters. A special local element in the situation was a charge that the Railways discriminated against Alberta coal supplying its natural markets in the Canadian West by giving a cheap haulage for Pennsylvania coal coming from the East. The Labour troubles, however, were chiefly responsible for lack of full development in this great industry and for the fact that 283 operating mines in 1917 only produced 4,863,414 tons—including 637,829 tons of Lignite coal and 2,206,868 tons of anthracite. There were 10,000 men engaged in the industry at this time with increasing exports to the other Provinces—1,465,040 tons to British Columbia, Saskatchewan and Manitoba in 1917 compared with 1,191,443 tons in 1916. Despite all difficulties, therefore, these figures showed a certain amount of progress in the war-years—4,559,054 tons in 1916 and 3,360,818 tons in 1915—with values increasing from $8,283,079 in 1915 to $14,197,758 in 1917.

American competition had something to do with the situation in normal times just as war demands upon United States supplies accounted for the increased export from Alberta. At a February Conference of coal operators and Government officials in Calgary figures were adduced showing that an increase in 1918 of 4,250,000 tons could be effected in Alberta production if all mines in the Drumheller, Edmonton, Lethbridge, Crow's Nest, Canmore and northern districts were worked to capacity. A considerable effort was subsequently made to advertise Alberta coal and to take advantage of the American and Canadian shortage while an extension of the five months' mining and shipping season was urged in some quarters as practicable. The coal operators appointed a Publicity Committee and the officials of both Federal and Provincial Governments urged greater production in view of the shutdown of anthracite shipments for the West during part of the year. The press of the Province took up the problem of coal resources and development and the unpopularity elsewhere of the lignite variety; Winnipeg was urged, not very successfully, to place its orders early so that production could be pressed.

But production halted, the workmen struck from time to time, the mines lay idle or worked with a rush for a while and then slackened; in June the shipping mines around Edmonton were producing 1,700 tons a day with a capacity of 4,200 tons; alien labour in the Drumheller district was in a constant state of restless ferment. These Alberta mines, with that of Fernie, B.C., formed part of District 18 of the United Mine Workers of America. Re-

presenting these and other elements the Alberta Federation of Labour met at Lethbridge on Jan. 7th-9th, with President Kenney in the chair, and passed a Resolution asking for a six-hour day for inside workers in the mines and an eight-hour day for outside workers. All through the year the alien labour question was prominent and frequent discussion was heard in Calgary or Lethbridge as to unnaturalized miners earning as high as $18 a day, working, according to official statistics, an average of 13 days a month, with estimates of alien miners running up to 80 per cent. in numbers.

As to this a deputation of United Mine Workers waited on the Premier at Edmonton (Mch. 27th) and claimed that less than 50 per cent. were alien with the majority of them naturalized, while J. T. Stirling, Provincial Inspector of Mines, stated on June 19th that "Alberta could not produce 25 per cent. of her required coal supply without the help of the miners of alien enemy birth, and they know it." There were more of these people in some mines than in others and Frank Moody, Manager of the Rosedale (Drumheller) mine put the local number at 85 per cent. and stated (June 21) that the I.W.W. and Austro-German leaders were the chief causes of local strikes. Despite all troubles, however, production grew and in the first three months of 1918 the lignite coal mined was 810,972 tons compared with 744,700 tons in the same period of 1917 and the bituminous was 712,313 tons compared with 650,-319. For the whole year the estimated product was 6,000,000 tons worth $25,000,000.

The development of the Peace River country continued steadily with Oil as the great subject of discussion. Dr. D. B. Dowling, a Dominion expert, stated in October that there were wells in one district producing 25 barrels daily. W. A. Rae, M.L.A., declared on Dec. 20 that though capital was hard to get for oil propositions yet men had been at work for years: "They know now that there is oil in paying quantities at Peace River Crossing. How large the field is no man knows, but certainly it is very large, and the wells, while they have not yet been proven to be big wells, promise to be consistent producers. To specialize, the McArthur well, drilled by an association of railway officials identified with the Dunvegan and Canadian Pacific Railways, shows oil to the extent of 50 barrels a day, and the Tar Island well, drilled by an Edmonton syndicate, has 20 barrels a day. The Williams well has a better show of oil in a lower horizon than anything heretofore tapped in the district." Questions of method and place and operation were vital; geologists estimated the extent of this vast Asphaltum lake or outcrop of tar sands, on the banks of the Athabasca, at 10,000 square miles with Petroleum resources of 200,000 million tons. This almost inconceivable total made the whole question of interest whatever the immediate results.

During this year land began to change hands in the Peace River region—a popular name for much of the northern country—oil operators were frequent visitors and, as always, had much to say. H. L. Williams, of California, shipped a drilling plant to the Peace

River as did the Tar Island Oil and Gas Co.; the Imperial Oil Co. staked 10 square miles of land on the Alberta and Great Waterways line near Fort McMurray and sent in machinery; capital from Spokane and Alberta points was interested as the Spokane-Athabasca Oil Co., Ltd., and in other McMurray properties of about 5,000 acres while the Tekoe-Athabasca Co., the Fort McKay Oil and Asphalt Co., Athabasca Oils, Ltd., and the Northland Oil Co., also planned development operations. In June there were 8 Companies commencing work or hoping to do so; in July the Alberta Oil Co., Ltd., of Saskatchewan, with a capital of $100,000 and authorized by the Public Utilities Commission to sell $35,000 of its stock in Alberta, was ready with a drilling outfit, and the acquisition of a large acreage, to operate near the McArthur Well No. 2; the oil-fields were visited in September under direction of J. D. McArthur by Hon. J. A. Calder and several other Dominion or Provincial Ministers. Mr. McArthur, who was largely interested, declared on Dec. 24th that: "There will be oil development. The whole world is in need of oil, more and more. Navigation and industry are continually seeking fresh supplies of oil, and all eyes are turned upon north Alberta and its oil fields and speculating upon their development. We have a vast field here and I look for a tremendous development of that field. It will be one of the country's most important assets."

There were great agricultural resources also in this region. It was claimed by enthusiasts that the Fort Vermilion country had 3,000,000 acres of the finest wheat-growing land on the continent; Rathbone Smith, General Manager of the McArthur Railways, stated in Calgary during July that the Peace River and Grande Prairie regions produced in 1917 over 1,000,000 bushels of grain and in 1918 would have 4,000,000 bushels; it was stated that the topographical conditions created a focus for chinook winds and that, for 80 per cent. of the winter, the cattle fed in the open and found their own food among 37 varieties of nutritious grasses, that there were 21 hours of sunshine daily in the summer season, and that almost every kind of grain and vegetable could be grown there that could be produced in South Alberta. Railway service was the great essential at this time and Mr. Premier Stewart told a Deputation from Fort McMurray who urged this upon him (Oct. 9th) that the Government was sending a Winnipeg expert to investigate conditions and that a decision would then be come to regarding extension in that direction; Mr. Stewart was at Grouard in the northland on Oct. 12th, saw 10,000 tons of hay stacked in local meadows ready for shipment and promised a large Delegation every exertion to finish building the Grouard branch line; the Hon. F. B. Carvell told a G.W.V.A. gathering at Calgary that he had seen places in the North country where a million cattle could be fed on grass going to waste for want of railway facilities. This condition was obvious all through the year but the War made any considerable railway effort impossible.

The war efforts of Alberta were considerable during the year. The Government made every effort to aid the returned soldier and, in May, the Alberta Returned Soldiers' Commission took the place of the former organization with Howard Stutchbury appointed as Commissioner to look after their interests; Secretaries were appointed at Edmonton, Lethbridge, Calgary and Medicine Hat in charge of details; a large block of fertile land in the Peace River region was reserved for soldiers willing to take up such work; the education of returned men in Convalescent Homes was undertaken and in March 400 of them were receiving instruction; G. L. Simmonds, an Accountant and returned soldier, was appointed Secretary of the Hail Insurance Board; in the Legislature on Apr. 4th Mr. Premier Stewart stated that an Advisory Board would be appointed to help the Government in its policy, with three members selected by them and three suggested by the G.W.V.A.—as constituted later on, it comprised J. A. McDougall, Edmonton, A. J. H. Terrill, Medicine Hat, and S. J. Sheppard, Lethbridge, appointed by the Government, and J. M. Grady, Calgary, Alfred Cleland, Calgary, and Albert Nightingale, Edmonton, suggested by the G.W.V.A. with the Premier as Chairman and Mr. Stutchbury, Secretary.

At this time there were 4,692 men in the Hospitals and Sanatoria under control of the Provincial Hospitals Commission, with 235 active bureaux in the Province helping this body to look after the wounded men and questions of employment; the Institute of Technology and Art was put into service at Edmonton for Vocational training and, in May, 150 soldiers were being prepared for their new lives; the College of Agriculture worked out a five months' course in that subject and at the close of the year had 45 returned men under instruction. During October 7,000 men were stated to have been demobilized in Alberta with 4,000 ready to sail from England and, to the Toronto *Globe* of Dec. 16th, Hon. C. R. Mitchell stated that the Province was doing its full duty by the returned men, that a Labour Bureau had been established to help them and a Conference of employers and employees would soon be held to go into the whole situation.

Mr. Mitchell (Mch. 21st) estimated the gifts of Alberta to War causes and relief work at $329,000 in 1914-15, $800,000 in 1916 and $1,249,555 in 1917 with a total granted by the Government of $380,701. The Victory Loan subscriptions of 1917 had been $16,515,160; the Patriotic Fund allotment of 1918 totalling $800,000 was provided by special taxation. The Victory Loan efforts of November, 1918, with Hon. C. R. Mitchell as Chairman, evoked excellent results, to which the Government contributed a $50,000 subscription, and Edmonton citizens a total of $2,600,000 or $100,000 more than the objective while the Province total stood at $18,000,000 with $15,000,000 as the amount aimed at. An incident of this effort was the Calgary *Herald's* cables and telegrams of good wishes from British statesmen and Canadian notables. The Red Cross Society did splendid work in its parcels and clothing, its

contributions and shipments of all kinds, with the Edmonton branch sending, in cash alone, $1,000 per month. In that city 5,000 lots were cultivated with a view to greater food production and similar conditions prevailed in other centres; in May 900 boys were enrolled in the Soldiers of the Soil movement with 610 already at work on the farms.

A project was under way during the year to erect a Soldiers' Memorial Hall at Edmonton and a G.W.V.A. mass-meeting there on Aug. 20th evoked approving speeches from Lieut.-Governor R. G. Brett, Bishop Gray, Hon. G. P. Smith, William Short, K.C., and others with the required amount stated at $300,000; in the Y.M.C.A. drive of the year Alberta exceeded its $150,000 quota by $50,000 while Patrick Burns of Calgary gave a battle-plane to the Royal Air Force. The Alberta Cattle Breeders' Association, in March, voted one-half of one per cent. of its sales at Calgary and Lacombe to the Red Cross; the members of Women's Institutes in Alberta contributed $32,000 to the Red Cross in 1917 and since the War began had furnished 40,000 garments to that organization. The Province welcomed back Corp. J. C. Kerr, a V.C. hero who was also claimed by Nova Scotia; The Lieut.-Governor presented to the widow on Apr. 9th a V.C. won by the late Pte. J. G. Pattison; the farmers of the Province had a recruit to Victoria Cross ranks in Cecil Kinross whom the King decorated on Apr. 8th. Brig.-Gen. A. H. Bell, C.M.G., D.S.O. and Brig.-Gen. J. S. Stewart, C.M.G., D.S.O., M.L.A. for Lethbridge, were successful Alberta soldiers while Lieut.-Col. H. H. Moshier, killed on Aug. 29th, was a Professor in the University of Alberta.

Health conditions created much attention in 1918 with hundreds of smallpox cases early in the year; as did the Influenza epidemic at its close and the ever-present problem of providing medical and hospital care for the needs of a widely-scattered population. Careful hospital legislation helped in one direction and many parts of the country started organization with a view to establishing District institutions; the appointment of Hon. A. G. MacKay as Minister of Health proved most useful in the Influenza period. The activities of this Department were preventive as well as curative and it operated by means of improved sanitation, better housing conditions, dissemination of information by monthly Bulletins, rigid enforcement of Health laws and regulations, medical inspection of schools, organization of municipal hospitals, special grants to induce medical men to settle in isolated districts, provision for the feeble-minded and fighting Venereal diseases.

Mr. MacKay devoted himself to relieving the painful situation which developed in the October-November Influenza period and, at its height, showed 9,206 cases on Nov. 4th with 643 new cases in two days and 11,997 cases reported on Nov. 7th. He called in the Red Cross to his help, sent nurses, physicians and workers, as they could be obtained, to all parts of the Province, organized the Road overseers as visitors, forbade all public meetings and issued frequent instructions as to action and treatment,

closed all stores for a time until 12.30 o'clock daily, established public kitchens, disinfected railway trains from local points, ordered barbers, dentists, and persons handling food to wear masks. The demand for nurses was very great; that for liquor hardly less imperative. It was prescribed and urgently called for all over the Province and many druggists abused their powers by adding greatly to the price—so much so that Mr. MacKay telegraphed the Prime Minister at Ottawa asking if his Government could control this evil. The Hospitals united in urging the Health Department to lower the price; the Attorney-General on Nov. 2nd wired to the Ottawa Government a request that it should follow the United States action in taking off Excise and other duties on alcohol for hospitals. F. G. Forster, Chief Inspector under the Liquor Act, stated on Oct. 30 that the call for brandy from physicians was very great, the local supply inadequate and available stocks in Canada almost depleted—though he had managed to purchase 800 gallons in bond at Winnipeg and Kenora.

Incidents of the year included the serious consideration by municipal gatherings of questions of taxation and health. A Municipal Deputation waited upon the Government on Jan. 9th and asked more rigid tax enforcement, revision of the conditions of tax sale, uniformity of procedure throughout the Province, division of the Police Court fines and automobile license fees, definition and restriction of the Moratorium, and the suspension of sinking fund payments. The 9th Convention of the Local Improvement Districts and Rural Municipalities at Edmonton (Feb. 6-8) was addressed by Hon. W. Gariepy and discussed the Patriotic Tax which was to pay Alberta's share of the Fund through municipal collection, the remission of land taxes on soldiers—which was defeated—and the difficulties of the municipal hospitals scheme with very general approval of the Government proposals. Re-instatement of the R.N.W. Mounted Police was asked and it was declared that municipalities should, wherever possible, give a preference to returned soldiers in filling vacant positions; the Government was urged to appoint a Highways Commission with powers of regulation. At the Union of Alberta Municipalities Convention, Medicine Hat, on Oct. 9-10, the Hon. A. G. MacKay spoke at length and stated that in their new health and hospital programme the Government assumed certain well-defined responsibilities and must lead in maintaining a high standard of buildings, equipment and efficiency. In order to do this they might have to protect certain municipalities and districts against themselves. It was the duty of the Minister to establish the Hospital districts, and there were now 17 district schemes under way.

The 1917 Premiums on Fire Insurance in Alberta were $2,556,-817 and the Losses $853,788; the Vital statistics for that year showed a very heavy ratio amongst infants—293 per 1,000—which was partly due to lack of medical attendance in rural districts and partly to ignorance amongst the large alien element. The Alberta Medical Association met at Edmonton on Sept. 25th and were

addressed by the Premier and several Ministers; they discussed Tuberculosis with nearly as many deaths reported from all Canada in one year as occurred amongst Canadians at the Front in 4 years of war—Alberta's average being better than that of the Dominion as a whole. Dr. G. A. Anderson, Calgary, was elected President. The so-called Mennonite invasion of the West from the United States attracted much attention and affected Alberta seriously. These people settled near Lethbridge in a large community, after careful investigation of soil and climate and other conditions; their Committee deposited $1,000,000 in two Canadian Banks and this was duly paid out as purchase money.

In one district, according to the Calgary *Herald*, they paid $200,000 in cash for 27 sections, and agreed to pay $669,000 more in five annual instalments. Immediately on taking possession each colony began the erection of large buildings, 60 by 200 feet and two stories, which were to be used as community dining halls and living rooms. The *Herald's* correspondent visited a school 25 miles from Lethbridge, and found that while the children all spoke English, all the text-books appeared to be German. This statement was corroborated from other sources. Various public meetings were held and many protests expressed to the Dominion authorities. There was a revival of oil production near Calgary with the Southern Alberta Oil Co. paying a dividend of 12 per cent. and reporting a net profit of $60,188; a Tomato farm was under successful cultivation near Lethbridge; Mrs. Frank Oliver of Edmonton offered $10,000 to establish an annual scholarship at McGill, Montreal, in honour of the late Lieut. Allen Oliver, M.C.; A. E. Mayer, LL.B., was appointed Superintendent of the three Agricultural Schools of the Province. During the year the Lieut.-Governor, Richard G. Brett, took part in many public functions with varied statements and advocacy along lines of war action and internal development.

The United Farmers of Alberta. This organization was similar in platform to the other Grain Growers' organizations of the West with, however, a tendency to greater radicalism and, a larger percentage of membership with one-time American affiliations and origin. The 10th annual Convention was held at Calgary on Jan. 22-25 with President H. W. Wood in the chair and 1,800 delegates present. Mr. Wood's opening address referred to the recent amalgamation of the business branches in Manitoba and Alberta—the Grain Company of Winnipeg and the Elevator Company of Alberta—as the United Grain Growers, Ltd., and urged the farmers to produce every bit of grain that was possible in 1918 as an imperative war duty. Mrs. Parlby of the Women's organization spoke as to their work, the Rev. Dr. G. W. Kerby urged support to the enforcement of the M.S.A., R. B. Bennett, K.C., asked for help to the Red Cross; Reports were received showing an income of $16,333 and contributions during the past year to Patriotic and war funds of $18,269; action was taken along important Association lines which included the raising of the annual membership fee to $2.00, the putting of life membership on a better basis, incorporation of the organization by Provincial charter, authorizing the Executive to acquire powers to carry on a Hail Insurance business, if necessary, acquisition of power to administer estates and a strong policy of encouragement to the Women's section.

The membership was reported as 16,469, or an increase of 3,000, in the year and of more than 14,000 since 1909. H. W. Wood of Carstairs, who,

during the past year, had taken a large part in public affairs as President of the Canadian Council of Agriculture, who had spoken frequently upon trade and tariff and war subjects and addressed a number of Chautauqua meetings on Democratic organization, besides acting as head of the U.F.A., was unanimously re-elected President and voted $2,000 honourarium for his services. The other officials elected included P. Baker, Ponoka, W. D. Trego, Gleichen, J. W. Leady, Whitecourt and Rice Sheppard, Edmonton, as Vice-Presidents, H. Higginbotham of Winnipeg as Secretary in succession to P. P. Woodbridge whose health compelled retirement. Directors were chosen as follows: G. A. Forster, Pandora; William Lowe, Crossfield; H. E. Spencer, Edgerton; T. C. King, Raymond; F. W. Smith, Sedgewick; Joshua Fletcher, Grand Prairie; C. W. Carroll, Leduc; Joseph Stauffer, Olds; C. A. Harris, Fairacres. An immense number of Resolutions were presented by the various branches (about 60) and a great number were passed. The following summary gives the more important:

1. Urging the Dominion Government to immediately take over, co-ordinate and operate at a reasonable profit to each, all Canadian Railways, during the continuation of the War, with a view to final ownership and operation after the War.
2. Approving the objects of the Social Service League and asking for further extension of the Grande Prairie Railway.
3. Urging adequate Provincial laws, with rigid enforcement, to provide all possible means for the prevention of destructive forest fires and for the encouragement of tree planting.
4. Declaring that where there was unorganized territory surrounded by or adjoining school districts, the tax rate for that territory should be the average rate of the adjacent districts.
5. Urging the Provincial Government to provide an adequate and efficient police force throughout the country—preferably the R.N.W.M.P.
6. Asking the Provincial Government to establish a Department of Public Health, having at its head a competent Deputy Minister, with special qualifications for that position. The duties of such a Department to be the inspection of all school children; supervision and enforcement of Health regulations and the construction and maintenance of all hospitals; supervision over all charitable institutions and the care of young children in order to prevent excessive mortality; improvement in treatment of Tuberculosis with supervision over sale of food and public eating-houses; granting of marriage licenses and supervision of Venereal diseases.
7. Asking, without any qualification, that farm machinery and labour-saving devices be immediately put upon the free list, and that the revenue derived therefrom be provided for by a direct tax on land values and all other natural resources.
8. Opposing "absolutely" the idea of importing Oriental labour for war purposes.
9. Urging the Dominion Government on account of the unwarranted speculation "which has so long existed in grain," to pass a law requiring that all grain sold be delivered and all grain bought be paid for.
10. Urging united Government efforts to find the best and most effective cattle-guard for railway crossings; the Provincial Government to inspect cattle for tuberculosis at railway stations and for a special war-tax on grazing leases; strict enforcement of Provincial medical inspection of schools; that motor-car licenses be placed at $5.00 with 50 per cent. of this applied on road construction.
11. Asking that it be made compulsory for teachers to remain with the children during noon-hour and other recesses and that the law permitting hogs to run at large be amended, so that such hogs committing damage on other people's property may be impounded and held until the owner pays damages and costs.

12. Declaring that all taxes collected under the Wild Lands Act should be turned into the municipalities for improvement of roads.

13. Demanding that the wishes of the people be obeyed and conscription of wealth in the most advanced form, as indicated in the Farmers' Platform, be put into effect.

14. Pledging the farmers of Alberta to every possible production of wheat and meat, and protesting against any increase in railway freight rates.

15. Urging that in the conduct of the War and in the settlement of the problems that grow out of the War, no favours be shown to any class, all sharing equitably in lives and fortunes, men and taxes.

Following the Convention on May 13th there was a meeting of the Executive presided over by Vice-President Percival Baker in Mr. Wood's absence, which approved the fairness and necessity of the recent Government action in cancelling farmers' and other exemptions of the 20-22 class and expressed the hope that farmers everywhere would loyally abide by the decision. Considerable controversy was aroused by this action and Mr. Wood practically repudiated it at a Farmers' Convention in Toronto on June 7th. A number of farmers' meetings followed in Alberta with protests against the Government's policy and the Executive forwarded to the Dominion Government a Memorial which sought to dissociate them from any responsibility for the crippling of food production which would follow the calling up of men from the farms under existing conditions. "The seriousness of this situation" was viewed with "great alarm." Meanwhile, the growth of the Association continued and by June of this year the 764 Locals of Jan. 1st had become 825 with a corresponding growth in membership. Mr. Wood continued to show great energy in speaking and writing during the entire year. To the columns of the Winnipeg *Grain Growers' Guide* he contributed a series of articles urging co-operation of persons, classes and nations. At the same time he strongly attacked alleged class conditions, privileges and problems which he believed to exist in Canada and Britain; urged Free-trade and denounced Protection; pleaded with the farmers to increase their present Canadian organization of 100,000 members, with 65,000 shareholders in their business companies; concluded on Dec. 26th with the statement that "the War which has just ended is the prelude to the real fight for democracy in Canada." In October he addressed a series of 15 meetings throughout Alberta.

Associated closely with the U.F.A. was the United Farm Women of Alberta with Mrs. Walter Parlby as President and general objects as stated by her in the *Grain Growers' Guide* of Dec. 4th: "First and foremost we stand shoulder to shoulder with the men's organization in the demand for a reconstruction of our economic system; we believe firmly that no friendly spirit of fellowship, no real understanding, can for long exist between nations who continue to build impenetrable tariff walls against each other; we believe the warfare of trade to be as deadly to the democratic progress of a country as the building of great armaments; we believe, indeed, that it is the cause of the building of those armaments." The membership in 1916 was 745 and in 1917 924. At the 3rd annual meeting in Calgary on Jan. 22-25 Mrs. Parlby spoke at length and urged support to the Red Cross and the Y.M.C.A., to food conservation and increased production; she dealt strongly with the medical and surgical difficulties facing isolated womanhood in the West and demanded a system of rural hospitals. During the meeting Mrs. L. C. McKinney, M.L.A., spoke on "Women in Politics" and Rev. A. W. Coone on Social Service work; Dr. Lincoln of the Medical Association dealt with Public Health and declared that 600 babies died unnecessarily in Alberta every year because of untrained mothers, dirty milk and improper feeding. The raising of $8,000 for Red Cross, etc., during 1917 was announced and the following officers were elected: Hon. President, Miss Jean Reid, Alix; President, Mrs. Walter Parlby, Alix; Vice-President, Mrs. J. H. Ross, Duhamel; Directors—Mrs. George F. Root, Wetaskiwin; Mrs. J. H. Ross, Duhamel; Mrs. Marion L. Sears, Nanton; Mrs. Ralph Davey, Jenner and Mrs. Paul Carr, Birdsholme; Mrs. Jean Stevenson,

Craigmyle; Mrs. A. M. Lucas, Carstairs; Mrs. A. M. Postans, Heath and Mrs. Alice E. Dowler, Veteran. Resolutions were passed of which the following were the most important:

1. Urging equal parental rights as to children.
2. Declaring that the signature of the wife should be necessary to all transfers of land property.
3. Asking that the law be amended so that a husband or wife shall inherit one-third of the property.
4. Declaring that a health certificate should be required from the contracting parties to marriage and that all women doing men's work should receive the same wages as paid to men in similar occupations.
5. Declaring that abduction for immoral purposes should be punishable by imprisonment for life.

Associated with the general work of this organization, though not technically connected, were the Alberta Women's Institutes which met in Convention at Edmonton on Mch. 6-8 with 800 Delegates present and Miss Isabel Noble in the chair. The membership was reported as growing from 3,700 to 8,000 and the branches from 135 to 212; the contributions to war purposes included $3,116 in cash and 32,243 articles of use with 627 Christmas boxes for the soldiers. Their work included the special engagement of physicians for specific localities, the establishment of school kitchens, planning for hospitals, providing rest-rooms in central localities, etc., fighting poverty, ignorance, improper feeding of children and bad housing amongst alien settlers. Leaders in various kinds of work addressed the Convention and Resolutions were passed (1) declaring the necessity of medical inspection of rural schools; (2) urging adequate protection and Government action as to Venereal diseases; (3) asking the Provincial Government to provide free scholarships in Provincial rural schools and the Federal Government to throw homesteading open to women; (4) endorsing Mothers' pensions as proposed by the Alberta Government and the work of the Food Board; (5) pledging support to all Prohibition effort and legislation. Miss Noble (Daysland) was re-elected President with the following officers: Vice-President, Mrs. A. A. Fleming, Sedgewick; Secretary, Mrs. A. H. Rogers, Fort Saskatchewan; Directors:—Mrs. F. Grisdale, Vermillion; Mrs. James Boyd, Fairview; Mrs. Ella Towns, Coronation; Mrs. Hummon, Carmangay.

The United Grain Growers, Ltd., in its Report of Aug. 31st, 1918, submitted at the annual meeting held in Calgary on Dec. 18-19 dealt with the now combined affairs of the Grain Growers' Grain Co. of Manitoba (12 years old) and the Alberta Farmers' Co-operative Elevator Co., Ltd., which had done business for 5 years. The consolidation had been almost unanimous on the part of shareholders scattered over the West with Saskatchewan still standing aloof in its large Elevator organization. This 1st yearly statement showed, despite an adverse season, that the total number of country Elevators operated was 343; of these 232 were owned by the Company and the balance leased from the Manitoba Government. The Company owned and operated a large number of flour warehouses and owned 181 coal-sheds in the three Western Provinces which it also operated. The total amount of grain handled during the year was 29,879,672 bushels and the amount handled since organization in 1906 reached a total of 307,125,523 bushels of grain.

The Company operated a large terminal elevator at Fort William and private elevators at Port Arthur; as to the Live-Stock department, it was shown that this business had increased by leaps and bounds. Offices were now established at the stockyards of Winnipeg, Calgary and Edmonton and the total number of cars handled during the year was 4,402. In the Co-operative Supply department the Report showed that expansion had been very rapid. In Winnipeg, the Company owned two warehouses and a large re-inforced concrete warehouse in Calgary while others had been leased in Regina and Saskatoon—with total sales in the department of $5,925,791. The revenue

of the year was $3,047,395; the expenses $2,585,691, the profits $461,703. The current and capital Assets were $8,359,176, the current and capital Liabilities $4,300,930, the capital stock paid-up was $2,159,763 and the General Reserve $1,500,000 with a special reserve of $100,000 and a balance at Profit and Loss of $298,482. The Hon. T. A. Crerar, M.P., was re-elected President; C. Rice-Jones 1st Vice-President and General Manager; John Kennedy 2nd Vice-President and J. F. Reid, M.P., and R. A. Parker, Executive Directors; E. J. Fream was Secretary:

British Columbia: Politics and Position in 1918.

There were a number of changes in the Government of this Province during the year. The Hon. Harlan Carey Brewster, Premier since Nov. 19th, 1916, left Victoria on Feb. 9th to attend the Inter-Provincial Conference at Ottawa and appointed the Hon. John Oliver, Minister of Agriculture and Railways as Acting-Premier while the Legislature adjourned until the 26th for his return—with the approval of Hon. W. J. Bowser, Leader of a Conservative Opposition of 11 in the House of 47 members. On his way back Mr. Brewster contracted a chill which resulted in pneumonia and he had to stop at Calgary where he was confined in hospital until Mch. 1st when he passed away. He had many friends and few enemies and the public regret was general with many tributes of respect and sympathy received at Victoria from all parts of Canada. A state funeral followed on Mch. 5th; at a caucus of the Provincial Liberals in the evening Mr. Oliver was selected as Leader with Hon. J. H. King, Hon. J. W. de B. Farris, Hon. William Sloan and Hon. J. D. MacLean also in the race. His appointment as Premier was announced on the 6th with a re-organized Government as follows:

Prime Minister, Minister of Agriculture and Railways, President of the Council	Hon. John Oliver
Provincial Secretary and Minister of Education	Hon. John Duncan MacLean
Attorney-General and Minister of Labour	Hon. John Wallace de Beque Farris, K.C.
Minister of Lands	Hon. Thomas Dufferin Pattullo
Minister of Finance	Hon. John Hart
Minister of Mines	Hon. William Sloan
Minister of Public Works	Hon. James Horace King, M.D.

Mr. Oliver faced many responsibilities in a Province much troubled by Labour issues, with manifold complications in finance and taxation and with various railway and municipal problems inherited from a preceding régime. He told a Municipal delegation on Mch. 19th, which urged relief in their financial difficulties, that they had been calling the tune and now must pay the piper; that they must work out their own salvation, produce more and spend less. To the Board of Trade, Vancouver, on May 14th, he told something of Government policy. The sum of $11,500,000 was to be borrowed to carry out its programme and on this the interest and sinking fund would amount to $862,500. Such an increase in expenditure, the Premier frankly admitted, would result in in-

creased taxation and in order to bear this additional taxation it was necessary to increase production as well as the population of the Province. Of the moneys mentioned $1,500,000 would be spent on public works to meet the requirements of settlers in the Northern parts of the Province and to build roads; there would be $1,000,000 for conservation and land improvement, with an additional million for the work of the Land Settlement Board—including the reclamation of the Sumas prairie; there would also be $1,500,000 spent for soldiers' housing and another $1,500,000 for construction on the Pacific Great Eastern, which had to be continued, and on which a considerable amount of work would be done before the autumn; $2,000,000 would be applied to the specific promotion of industrial development.

As to actual financial conditions, the Premier stated that in 1914 the net Debt of the Province was $8,743,000, in 1916, $16,500,000, and in 1917 over $20,000,000. In 1914 the Provincial income was about $10,500,000. In 1918 the income of the Government was about $8,000,000, while its expenditure would be $9,349,000. Mr. Oliver was in Toronto on May 1st giving evidence before the C.N.R. Arbitration, and read a statement to the effect that in British Columbia the Canadian Northern Pacific Railway had, "through collusion, obtained large overpayments of trust funds." These overpayments he estimated at $2,000,000. He added that there was a further charge of misappropriation of something like $1,000,000, which was diverted from funds for terminal properties and used for other purposes. Last year the overpayments were estimated at $3,920,143, but had been largely taken up on the completion of the road. He estimated the amount still due by the Company at $1,000,000. As to the Provincial enterprise in general he stated that the liabilities of the undertaking were in the neighbourhood of $48,000,000, and that it would take $12,000,000 to complete the Provincial lines and put them in operation. These statements were explicitly denied, so far as wrong-doing was concerned, and F. H. Phippen, K.C. for the C.N.R., contended that the C. N. Pacific was fully entitled to the Trust Fund advances referred to.

Following this incident, Mr. Oliver, with Hon. John Hart, was in Ottawa and completed the negotiations of the late Premier for a Federal Loan of $3,000,000. He also took up with the Ottawa Government the question of C.N.P. extension on Vancouver Island and, with other Ministers, the returned soldier problem and his plans of Land settlement; he tried to get the Federal authorities to take over the Pacific and Great Eastern and make it part of the Government system and arranged with Lord Shaughnessy a settlement of the Nakusp and Slocan Railway case along lines of C.P.R. acquisition; he discussed the Johnson Street (Vancouver) Bridge project with Hon. Mr. Carvell and placed the financial situation fully and frankly before the heads of the Canadian Bank of Commerce—the Province's bankers. In August there was talk of a Provincial Liberal Convention to which the Premier gave his approval, through Hon. M. A. Macdonald, K.C., President of the

Provincial Liberal Association, but the plan did not mature during this year.

On Sept. 28 Mr. Oliver telegraphed the Dominion Premier urging an Inter-Provincial Conference re demobilization; in November he attended the one held at Ottawa to discuss after-war problems and another at Regina, of the four Western Provinces, to discuss Educational matters. At the Ottawa gathering he took strong exception to a Dominion income tax as interfering with that from which the Province was now deriving considerable revenue; he and Mr. Pattullo also presented a proposal in connection with the natural resources demand of the Prairie Provinces. It was that the Dominion should also hand over to British Columbia the Peace River block of 3,000,000 acres, as well as the lands within the Railway Belt and in support of this suggestion it was argued that the settlement of 1884 was not equitable. While railway connection had been given, the rates allowed had placed the Province at a serious disadvantage, and involved a financial loss. The ground taken by the Conference was that this proposal was not on the agenda and it was dropped; later Mr. Oliver submitted a written Memoranda to the Dominion Government.

There were a number of Bye-elections in 1918 and those first held—on Jan. 24th—were as follows: Alberni, J. F. Bledsoe (Lib.) and R. P. Wallis (Cons.); Newcastle, G. H. Cavan (Lib.) and J. H. Hawthornthwaite (Socialist); Similkameen, E. W. Mutch (Lib.) and W. A. Mackenzie (Cons.); Vancouver, Mrs. Ralph Smith (Ind.), Sergt. W. Drinnan (Cons.) and Pte. R. H. Young (Ind.). Messrs. Brewster and Oliver of the Government spoke in Alberni, the Premier and Messrs. Pattullo, King and Farris in Similkameen, the Premier and Mr. Sloan in Newcastle, the Premier and Mr. Farris at Vancouver while Mr. Bowser fought for his party single-handed. The result was not favourable to the Government—Mr. Wallis being elected in Alberni, Mr. Hawthornthwaite by a large majority in Newcastle, Mr. Mackenzie in Similkameen. The Vancouver result was quite satisfactory to the Government which had supported Mrs. Smith who, though running as an Independent, was Liberal in her affiliations and widow of their late colleague, the Hon. Ralph Smith. She stood as "a free woman doing my best to secure the best possible legislation for women and children." Her platform was as follows:

1. A minimum living wage for women workers with supervision of workshops and factories to ensure healthful conditions for women and girls.
2. Equal pay for women with men for equal work; pensions for dependent mothers.
3. Education and reform of juvenile delinquents.
4. Organized assistance to enable returned soldiers to become agricultural settlers or to aquire training for technical careers.
5. The bringing into force of the Civil Service Act with provision for enabling wounded war veterans to qualify for indoor positions in the civil service.
6. Proportional representation for multiple constituencies.
7. Strict enforcement of the Prohibition Act with necessary amendments.

8. Provision of an adequate system of technical training to fit young men and women for vocational work.

Mrs. Smith polled 10,213 votes, Mr. Drinnan 6,701, Mr. Young 544. On Apr. 25th Edward Dodsley Barrow, M.L.A. for Chilliwack since 1916, was appointed Minister of Agriculture in place of the Premier who had resigned that Portfolio. He stood again for his riding with H. J. Barber opposing him as a Unionist; unsupported, however, by Mr. Bowser who left the contest severely alone. The new Minister was re-elected by 500 majority. At Victoria on June 28th a contest took place in the late Premier's constituency. R. W. Perry was the Conservative candidate and had the strong support of the Opposition leader; Major W. H. Langley ran as a Liberal with objects which included protection of the interests of returned soldiers, promotion of all possible war-effort, and encouragement of ship-building and other industries, with after-war establishment of business interests abroad; Pte. Frank Giolma, who had the G.W.V.A's enthusiastic support, who claimed to represent the soldiers' special interests and to understand their special problems, and promised to formulate a policy of absorption into industrial life for returned men with an adequate Land settlement scheme, while demanding conscription of alien labour, a levelling of pensions as between officers and privates and more adequate provision for soldiers' widows and orphans. Mr. Giolma swept the riding by 3,624 votes to 1,359 for Mr. Perry and 71 for a Socialist named McDonald.

The 2nd Session of the 14th Parliament of British Columbia was opened by the Lieut.-Governor, Sir F. S. Barnard, on Feb. 7th with a Speech from the Throne which referred to the World-War and the heroism of Canadian soldiers; mentioned the return for the first time in Provincial history of a woman as member of the Legislature and in connection with the recent Conference at Ottawa expressed the desire to co-operate in all matters relating to returned men; promised removal of legal disabilities against acquisition of mineral claims in Strathcona Park and consideration of the difficulties as to metals in the Esquimalt and Nanaimo railway belt; stated the Government's intention to secure the services of an expert to advise on the electro-thermic treatment of iron ores, with measures for the encouragement of the iron and steel industry: promised a measure dealing with the production of spruce for aeroplane construction—a matter in which Great Britain and her Allies depended mainly upon the resources of the Pacific Coast; referred to the Irrigation needs of the Province in both conservation and development and promised legislation as to neglected children as well as an 8-hour day in certain industries; referred to the Board of Taxation Report as ready and promised measures dealing with Seed grain supplies for farmers and exemption of soldiers' properties from sale for unpaid taxes.

John Keen of Kaslo, member since 1916, was elected Speaker, and A. M. Manson of Omenica Deputy Speaker; Mrs. Ralph Smith

was welcomed with a desk buried in flowers; the Address was moved by A. I. Fisher of Fernie and E. D. Barrow of Chiliwack and passed without division on Mch. 14th. During the debate a ruling was given by the Speaker that Mrs. Smith must address the chair with head uncovered. There was a good deal of important legislation, including amendments to the Land Settlement Act which reduced the members of the Board to three, established settlement areas wherever the Board might decide that agricultural development was being retarded by reason of privately held lands remaining undeveloped, and empowered the Board to enter into agreements for the colonization of such areas after appraisal and notice—with power also to purchase at appraised valuation subject to appeal to a Supreme Court judge; the Seed Grain Act which provided a sum not to exceed $20,000 with power to the Minister of Agriculture to purchase seed, sell it for cash or upon note security and collect payment in the usual ways with a fine imposed for misuse or wrongful disposal of seed by purchasers; an amendment to the statutes providing that within three months after being declared missing (soldiers at the Front being meant) a Judge could appoint a curator for the estate; a clause was added to the Vancouver Act under which the City could authorize or abolish the use of jitneys in competition with the B. C. Electric Railway; provision was made for a grant of $5,000 to the respective families of the late Premiers—Sir Richard McBride and H. C. Brewster.

The Land Act was amended so as to confine future pre-emption to surveyed areas and thus prevent indiscriminate pre-emption all over the Province; to provide for the collection of stumpage on timber lands pre-empted prior to Jan. 1st, 1917; to permit unsurveyed mountainous lands contiguous to the Coast to be leased in areas of 20 acres or less for purposes other than farming; to provide that all purchasers of Crown lands might be required to place permanent improvements thereon before getting titles. The Water Act was amended to provide a special Fund, not exceeding $500,000, to aid Government action in respect of existing irrigation systems or needed extensions together with facilities for co-operation amongst the smaller users of water and enlargement of the powers of the Water Board. By a Bill of the Minister of Mines the lands within the limits of Strathcona Park, the Government reserve on Vancouver Island, were opened to the location and operation of mineral claims after Apr. 15th, 1918; Mr. Pattullo, also, carried legislation to give protection to soldiers who were purchasers of lands, on which the full amounts had not been paid to the Crown, by granting the right to secure an allotment of land equal to the amount paid; Dr. MacLean, Minister of Education, amended the Hospital Act to permit increase to one dollar per day in the per capita grant made by the Government to hospitals treating Tubercular cases in advanced stages.

The Iron Bounties Act, carried through by Hon. William Sloan, empowered the Government to enter into agreements with persons or corporations and make payments of bounties on pig-iron when

manufactured in the Province. For pig-iron manufactured from ore, mined in the Province, the bounty was not to exceed $3 per ton of 2,000 pounds; $1.50 was to be paid in respect of pig-iron manufactured from ore mined outside the Province. The Bill also provided that a similar bounty to that on pig-iron might be paid upon the molten ore which, in the electric furnace, Bessemer or other furnace, entered into the manufacture of steel under those processes. The bounties were to expire on Dec. 23rd, 1923, and the Act be administered by the Minister of Lands. Mr. Hart, Minister of Finance, took power under the amended Taxation Act to adjust the burden of the Public Debt and taxation more equitably upon the tax-payers.

He readjusted the agricultural taxes with a new assessment on all farm realty subject to taxation and exempted improvements up to $1,500 in addition to the $1,000 exemption on personal property. On mines the tax was to be 2 per cent. and imposed on income or assessed value of ore removed, whichever was the greater. If taxed on income depreciation of plant up to 15 per cent. would be allowed for; gold mining Companies were to be taxed on profits only and the tax on iron ore to be 37½ cents a ton with all mining taxes to be in force as from Jan. 1st, 1917. Salmon canners were to pay four cents a case or on income, whichever would bring the greatest returns, for 1918, but for 1917 they would pay on income. Provision was made by another Act for the borrowing of $4,000,000 for general purposes—increasing the actual but unused powers of the Government in that respect to $11,370,000. The March Loan of $1,000,000 and the $3,000,000 obtained later from the Dominion Government for 5 years at 6½ per cent., followed and cleared up the Canadian Bank of Commerce overdraft and Treasury Bills outstanding.

In view of the Government aid to South Vancouver which involved a Loan to meet $1,000,000 of obligations a measure was passed giving power to appoint a Commissioner to assume all the powers held by the Municipal Council, supervise the financial affairs of the municipality and generally supercede the functions of the Council. The Civil Service Act was amended to give clear preference to returned soldiers in appointments; another Act vested the ownership of the P. G. E. Railway in the Government and Aeroplane construction was facilitated by a measure respecting the cutting of spruce timber; a Proportional Allotment Act was designed to aid the solution of complexities in relation to land held under agreement of sale; measures were passed providing for an 8-hour day in certain occupations while amendments to the Coal Mines Regulation Act and the Labour Regulation Act were intended to further advance these interests as were amendments to the Workmen's Compensation Act and the measure providing for a minimum wage to women; other legislation secured the bonds of certain Dyking districts and amended the Schools Act.

The Opposition was very vigourous during the Session under Mr. Browser's leadership. They severely criticized the Land Act

and amended the Seed Grain Act almost beyond recognition in details; they proved distinctly to be a fighting organization with special condemnation of the financial policy of the Government. Always in opposition to the Government, though far away in principle from the Opposition, was J. H. Hawthornthwaite, the Socialist, and supporter of extreme Marxian doctrines who had won his way back in a bye-election. A Resolution was unanimously passed on Mch. 21 asking that "the granting of hereditary titles to residents of Canada be discontinued"; another on Mch. 26, in the midst of the War crisis, sent to Sir Douglas Haig and the British Army "thanks, confidence and prayer"; the thanks of the House were tendered (Apr. 3) to the Prohibition Overseas Vote Commission—D. Whiteside, F. A. Pauline and C. F. Nelson, members of the Legislature; another Resolution declared the House "opposed to a class system of pensions for soldiers and in favour of the equalization of war pensions for disabled soldiers"; the Government carried a Resolution by 25 to 9 in favour of a Federal amendment to the Criminal Act abolishing Grand Juries in the Province—as in Alberta and Saskatchewan.

Mr. Sloan carried a motion favouring arrangements with the E. and N. Railway Co., for the Government administration of mineral lands, now under joint regulations of the Company, and the Mineral Act. A much-discussed motion was that of Hon. W. R. Ross and W. E. Rose of the Opposition regretting the inability of the Government to approve recent lengthy Resolutions of a gathering of War Veterans, Patriotic and other Associations and which urged the elimination of enemy aliens from public office, the establishment of an Alien Registration Bureau, the suppression of enemy alien newspapers and prohibition of fire-arms to persons of alien birth, the punishment by heavy fine of aliens breaking contracts during harvest time. A long amendment to this motion was presented by F. A. Pauline and George Bell, Liberals, which pointed out that these matters were of a Dominion nature and suggested that copies of the Resolutions in question be forwarded to Ottawa with the general sympathy of the House as to their terms and a pledge of co-operation with the Dominion authorities in satisfactory rehabilitation of returned soldiers. This was carried by 29 to 8. The House adjourned on Apr. 23rd.

In addition to the Premier's drastic charges against the Canadian Northern Pacific at Toronto conditions compelled discussion also at Victoria. In the Legislature on Mch. 14 H. C. Hall and F. A. Pauline introduced a Resolution declaring that all the shares of the C.N.P. were held by the Canadian Northern Railway; that the C.N.P. had made default in its British Columbia undertakings and obligations to the serious loss and injury of the people; that any payment to the holders of the shares (by the Dominion Government) of these Companies unless and until their obligations in British Columbia had been met "would be an outrage on the rights of the people of the Province." F. W. Anderson (Lib.) moved an amendment urging the Dominion Government, as new owners of

the C.N.R., to complete the obligations of the C. N. Pacific in the construction and completion of terminals, the lines of railway on Vancouver Island and the Lower Mainland, with the Line from Kamloops to Vernon and Kelowna. This was defeated by 21 to 12 and the original motion carried by 23 to 10. The Board of Trade, Victoria, (June 13th) urged completion of the Railway on the Island after the Premier had asked for united support to the Government in its effort to this end—with only 35 miles of steel needed to carry the line into the heart of a great lumber region capable of producing 90,000,000 feet B.M. He suggested to the Dominion Railway Department on June 25 that the work of laying rails on the C.N.R. from Victoria to Sooke and from Cowichan Lake to Nitinat Lake, 70 miles in all, be proceeded with at once, and stated that any difficulty regarding the price to be paid for terminal lands on the former Songhees Reserve in Victoria could be submitted to arbitration. Some progress was eventually made and in September the Premier drove the first spike in the C.N.P. extension from Colwood to Sooke.

The question of what to do with the Pacific Great Eastern Railway was a vital question of the year and its roots lay deep in the politics, legislation, finance and Provincial constructive work of past years. Early in January the contractors and holders of the Line, Foley, Welch and Stewart, or the P. G. E. Development Co., offered to turn over to the Government, in return for a release of all obligations, Assets placed at $22,456,550—the figures, it was claimed, being actual cost at a time when labour and materials were much less than at present. Details of the value of the Railway completed, and under construction, were set forth as follows: Engineering, $830,936; construction $13,690,394; additional construction paid by P. G. E. Company, $63,321; construction by operating department, $441,889—total, $15,026,540; reasonable contractor's profit and 10 per cent. on construction as above, $1,502,654; right-of-way and station grounds, $364,011; Howe Sound and Northern purchase, $187,299; use, loss and depreciation of Contractor's plant, $750,000; general and executive expenses during construction $171,165. A full inventory of the rolling stock and railway equipment was given and real estate holdings set forth. The Minister of Railways (Mr. Oliver) at once refused the offer on the ground that the Assets, as stated, did not represent real value.

On Jan. 31 the Boards of Trade of Vancouver and Victoria urged the Government to continue construction of the system through to Fort George and into the Peace River country; on Feb. 4 it was stated in the press that Government suits against the Company and the Railway had been tentatively settled and on the 13th W. H. Malkin reported to the Vancouver Board of Trade, after special investigation, that only $250,000 barred the way in negotiations between the Company and the Government; on Feb. 17 operation of the P. G. E. Railway out of Vancouver was stopped and the Government took action to force a continuation of service; on the 22nd Mr. Oliver left for Seattle where he met R. T. Elliott, K.C.,

Counsel for the Company, and came to an agreement which was approved by the Company and the Government. It was put into a Contract and accepted by the Legislature. Under its terms the Company agreed to pay the Province $500,000 in cash and an additional $250,000 in four months; to turn over all Assets except lands and upon these the Government was to have a two-year option. If the Government decided not to take them over, two years after the close of the War, the Company was to pay an additional $350,000 making $1,100,000 in all—this additional sum to run over an extended period and up to five years after the War if desired. In case it was paid within two years after the close of the War, no interest would be charged; if within five years and after two the interest would be 6 per cent.

As to the future Mr. Oliver stated to the House on Mch. 13 that he hoped for rapid construction from Ashcroft to Clinton which would connect the P.G.E. with the C.N.R. system. The Dominion Government, he declared, should assist the Province by granting $12,000 a mile for new construction required and should ultimately take over the road and operate it as a part of the C.N.R. system. Construction work and the re-opening of the Line proceeded at once with E. A. Morrissey of Mission put in charge of the rolling stock and equipment; on Apr. 24 Mr. Premier Oliver went to Ottawa to discuss the whole matter with the Dominion authorities and stated, before leaving, that no work would be done this year except the continuation from the end of the present line of steel, north of Clinton, to Williams' Lake and Soda Creek—where the Railway would link up with navigation on the Fraser River. A Bill, meantime, had passed the Legislature ratifying the agreement and re-constituting the Railway, Equipment, and Development Companies, with new Government-appointed Boards with money for further work up to $3,900,000 available under the Loan Act of 1916; on June 21 the two payments of $500,000 and $250,000 were made, concurrently, by the old P. G. E. Company and on Aug. 1st Messrs. Oliver, Farris and Hart of the Government were named Directors of the three P. G. E. Companies.

The financial situation of the Province during the year had been difficult but was steadily improving. On Apr. 4th Mr. Hart, Minister of Finance, delivered his first Budget speech in which he stated the revenues for the year ending Mch. 31 as $8,882,846 compared with $6,906,783 in 1917 and the net expenditures as $8,073,565 compared with $9,079,217 in 1917; for the 9 succeeding months of 1917 the net revenue was $6,794,671 and expenditures $7,910,465; for the year of Mch. 31, 1919, he estimated the revenue at $9,900,055 and the expenditures at $9,658,254 with, also, capital expenditures of $1,953,440. The net Debt* on Mch. 31st, 1917, was at $20,946,949 compared with $8,033 in 1911 when cash balances nearly equalled the funded Debt of $8,771,564. The capital Assets of the Province included $12,462,701 of Dominion funds or a capitalization of subsidies, etc.; sinking funds of $4,209,284 and

*Note.—Balance sheet figures published on Jan. 25 also included here.

GEORGE M. HOADLEY, M.L.A.,
Appointed Leader of the Conservative Opposition in Alberta, 1918.

TOM MOORE,
Elected President of the Canadian Trades and Labour Congress, 1918.

Provincial buildings, trunk and main roads, bridges, etc., $20,087,-267; the Kitsilano and Songhees reserves and lesser items making up the total. There were various current Assets stated at $6,523,-647 and deferred Assets—chiefly P. G. E. Loans, etc.—$4,501,027; the actual Loans and debentures outstanding totalled $23,071,936 and the Liabilities having Provincial guarantees for principal and interest—$40,157,530 for the C. N. Pacific and $20,600,000 for the P. G. E.—totalled $64,437,935.

The Minister noted that the deficit of $1,711,638 in the 1918-19 fiscal year was purely for capital expenditure. As to details he stated that arrears of general taxes on Dec. 31, 1917, were $4,776,-408 and of School taxes $168,403. It may be added that the chief items of revenue in 1917-18 were Dominion subsidies $647,135; Land sales and revenue $477,218; Timber leases and royalties $2,008,170; real and personal property taxes $1,535,189; wild land tax $690,536 and Income tax $670,638; Mineral tax and coal royalty $485,504. The chief items of expenditure were Interest and sinking fund $1,722,614; Civil Government (salaries) $1,336,672; Education $1,397,496, Roads, streets, bridges, wharves $1,292,481. Mr. Bowser strongly criticized this statement in the House and expressed pride in the record of the late McBride and Bowser Governments with an expenditure of $73,000,000 in six years upon the railway and material development of the Province. A large scheme to arrange Provincial finances was suggested by A. C. Flumerfelt, ex-Provincial Treasurer, in the press of Feb. 8th, as follows: "Consolidate all the outstanding obligations of the Province—Provincial, municipal and districts aggregating $138,603,288; calculate the interest to maturity of these outstanding securities; then capitalize the proportional difference in interest and make a new Provincial issue at a low rate of interest on a graduated scale for a long-extended period." The Vancouver Board of Trade on Apr. 9 suggested, through a special Committee of investigation, that the Government should appoint an expert to inquire into the whole financial system of the Province.

The Education of the Province was under the financial shadow, somewhat, though the appropriations were large. The figures for June 30, 1917, showed an enrollment of 65,118 pupils in the public schools and a teaching staff of 2,124—including 4,481 in the High Schools with teachers numbering 166. The total cost to the Government was $1,609,124 and, in addition, the municipalities and rural districts expended $1,637,539. There were 400 students in the two Normal Schools; agricultural study made satisfactory progress, school and home gardening work were conducted in 190 schools and taken by 7,900 pupils; special courses in fruit-picking and packing had over 600 students; 245 teachers attended the Summer School and there was an extension in technical work with 80 teachers in charge of that branch.

Dr. McLean, Minister of Education, told the Legislature on Apr. 15 that there was no chance of increased Government assistance to schools at present and the House on the 20th debated whe-

ther education furnished by the University of British Columbia should be free or not—the Minister stating that there was a difference of opinion on the University Board of Governors as to the subject. The Government therefore had decided to remove the clause calling for free tuition. He also pointed out that there were over 400 students in attendance and that the fees would amount to about $15,000. The usual grant of $220,000 would be given but he did not think the Government would be able this year to grant the institution the special sum of $200,000 which was required for its removal to the Point Grey site. M. B. Jackson urged the Government to drop the whole University project and establish a College of Agriculture and Polytechnic School instead. Regulations were issued by the Department of Education on May 1st providing that pupils of entrance classes in the public schools of cities in the first and second class, who had, in the opinion of their principals and teachers reached the standard required for admission to High Schools, could be promoted thereafter on the recommendation of the respective teachers. The Minister attended the Regina Conference and on his return expressed the belief that a uniform Western system of text-books would result.

Meanwhile the University of British Columbia had been developing its work along more or less assured lines and preparing for and looking toward the future greatness of the Province. The registration of students for 1918 was 627—including 419 in courses leading to a degree and 203 entered in one or other of the Short Courses. Of the former 143 men and 178 women were in the Arts course; the College of Applied Science had 48 students; the chief Short Courses were Fruit-growing, Mining, Engineering and Agronomy. As to the War the institution took an honourable place with 164 students enlisted up to the beginning of 1918 together with 192 from the affiliated Colleges of Vancouver and Victoria and 79 matriculants. Convocation was held on May 2 with Chancellor F. Carter-Cotton, who had recently received an Hon. LL.D. from McGill University, presiding. He retired from the position and was succeeded by Dr. R. E. McKechnie of Vancouver who was elected over Judge F. W. Howay, a well-known local scholar and jurist. Appointments at this time included Dr. G. G. Sedgewick, Associate Professor of English and head of the Department, and Dr. A. E. Boak, Assistant Professor and head of the Department of History. On Oct. 21 occurred the death of Frank Fairchild Wesbrook, M.A., LL.D. who, since 1913, had been the energetic, earnest and efficient President of the University. Columbia College of Vancouver had an enrollment this year of 119 and an Honour Roll of 150 students; Westminster Hall (Presbyterian), Ryerson College (Methodist) and Latimer Hall (Anglican) each had a fairly successful year.

Labour problems of the year were many. Vancouver was a hotbed of the more violent Socialistic thought and strike followed strike in bread-bakers, street-railway men, masters and mates on vessels,

ship-yard employees, policemen and firemen and other elements of labour while Fernie miners struck more than once. On Mch. 12 the B. C. Federation of Labour (a Socialist body) presented the Government with a number of requests or demands including (1) Minimum wage for women and (2) an 8-hour bank to bank law for metalliferous miners, and an 8-hour day for all employees around mines, mills, smelters, etc. Legislation along these lines was promised. Other things asked for were Proportional representation, grouping of constituencies, franchise for all registered voters whether residents or not, a two months' period between dissolution and elections and abolition of election deposits; free educational supplies, Government free sickness and unemployment insurance, with free medical and hospital treatment during sickness, and free dental treatment; Mothers' pensions and abolition of legal injunctions in Labour strikes. These proposals were again presented on Sept. 22.

The Workmen's Compensation Report for 1917 dealt with an industrial pay-roll of $100,000,000, and 75,000 workmen; with about 600 employing firms having assessments of $939,869, and a Compensation paid totalling $358,227; with a reserve set aside to secure pensions of $351.777, and a collection of $93,094 from workmen for medical fees, etc.; an average per month of 1,140 accidents and a total for 1917 of 13,684. H. B. Gilmour of this Commission stated on Mch. 19 that there were altogether too many accidents from unguarded shafting and gear, flimsy scaffolding and unguarded shingle machinery. The 8-hour day was granted by legislation during the year to metalliferous mining and coal mines though the shipyards were refused a 48-hour week under the Murphy award in May; the B. C. Electric Railway Board of Conciliation recommended an 8-hour day to apply after the War while Socialists demanded a 6-hour day and were referred by Mr. Farris, Attorney-General, (Dec. 11th) to Russia as his reply.

An early result of Mrs. Ralph Smith's election was an Act to fix a minimum wage for women which was introduced by the Attorney-General on Mch. 22. It provided for the appointment of a Minimum Wage Board composed of three members—the Deputy Minister of Labour as Chairman and two others. No salary was to be paid to any member of the Board and it would hold office during pleasure of the Government. The Board was to ascertain the wages paid in various occupations, trades and industries in which women were employed in the Province and have full power to examine pay-rolls and all other records of employers. If, after investigation, the Board found that the wages paid to employees were inadequate, it could call a conference of employer and employees and request an estimate of the proper minimum wage to be paid with an Order to follow. The Act did not apply to farm labourers, fruit-pickers or domestic servants or their employers. Penalties for infraction were placed at from $25 to $100 and employees were given the right to recover by civil action. Mrs. Smith moved the 2nd reading, the Bill passed with very little opposition and the Board was constituted in

due course with J. D. McNiven, Deputy Minister, Messrs. McGill and Matthews of Vancouver, as members.

The war-work and contributions of the Province in these years were notable. The Province (including Yukon) sent overseas in 1914-18 (July 15) 1,300 officers and 4,200 of other ranks and, by the close of the War, about 10,000 had returned of whom 8,000 were discharged as unfit for further service; the total contribution of British Columbia to the Canadian Patriotic Fund to Sept. 30, 1918, was $3,065,000 while the disbursements aggregated $4,817,000 —the difference being supplied from the Central Fund at Ottawa with British Columbia dependents numbering 16,136 persons. During 1918 the Victory Loan of November evoked a response of $35,000,000 in subscriptions with $19,000,000 as the objective; the Soldiers of the Soil movement was supported by an appeal from the Department of Agriculture and resulted in 1,112 recruits by the end of March; the Provincial Government took $564,000 in the Victory Loan of November which made its holdings in War loans to total $1,174,500.

The Government's policy toward the War Veterans was much discussed and early in the year considerable hostility was expressed by the G.W.V.A. regarding the dismissal of R. G. Duggan from the Civil Service for accepting the post of President of the Victoria Branch and then actively supporting the Union Government in the 1917 elections. The dismissal was made by Mr. Pattullo, Minister of Lands, and the above reasons were given to a large Deputation which waited upon the Government on Jan. 8th and to whom reconsideration was refused. Later in the year a similar issue was made of the Government's appointment of W. H. McInnes as Civil Service Commissioner in succession to A. N. Mouat; it was claimed that a returned man should have been appointed but the Government maintained that the public was best served by the action taken and stood by it. Vigourous hostility, also, was expressed by the G.W.V.A. to an appointment at Prince Rupert which was thus referred to in a Resolution passed at a Vancouver meeting on Apr. 25: "Inasmuch as P. Lorenzen, an alien, born in Schleswig-Holstein, formerly President of the German Club of Prince Rupert, has been appointed to a civil service position under the Provincial Government—Resolved that the Minister in charge of the Department in which he is employed be requested to immediately dismiss the said Lorenzen." It was afterwards stated by Mr. Pattullo that this man was a Dane and not a German and that in the Forest Branch of his Department 22 out of 24 vacancies had been filled by returned soldiers. Hence the candidacy of Sergt. Drinnan in Vancouver; hence the special appeals of the Opposition Leader for Veteran support.

In the Legislature on Mch. 12 Mr. Premier Oliver stated that the Government's policy was to place returned soldiers on the land and to urge realization of the Dominion Government's promised loan of $2,500 to assist veterans along this line; the basic machinery and legislation would be provided at once but Provincial financial

action might have to wait. An elaborate scheme was presented to him by a veteran delegation on Mch. 26; on Apr. 10 more than 1,000 soldiers and Patriotic Society members presented Resolutions to the Premier as to alien labour, etc., and one asking for the enforcement of the new Civil Service Act and appointment of a Commissioner. In the House on Apr. 19 Mr. Oliver introduced his Bill to give the Government power to reserve Crown lands for soldiers, to spend up to $500,000 in buying suitable lands, to sub-divide and lease or grant lands to soldiers, to turn over properties to the Soldier Settlement Board, and to provide homesites near cities for those veterans who did not intend taking up farm life. It passed in due course and another Government measure provided that any member of the Allied Forces returning to British Columbia should be entitled, at any time not less than ten days before the polling at a general election or bye-election, to have his name placed on the register of voters for the electoral district in which he was last resident for not less than one month. The Soldiers' Land Act was brought into prompt operation and an inspection of available lands ordered by Mr. Pattullo at the end of April; in September he announced 50 lots in the municipality of South Vancouver as almost ready for occupation; Major John W. Clark was appointed Superintendent of B. C. Soldier Settlements.

The Province had many soldiers of whom it was proud. Colonel Cyrus W. Peck, V.C., D.S.O., was M.P. for Skeena; Major Richard J. Burde, M.C., was Mayor of Port Alberni and Editor of the *News*, when he enlisted; Maj.-Gen. Garnet B. Hughes, C.B., C.M.G., D.S.O., was Engineer of the B. C. Electric Railway when the War began; Pte. James Richardson (killed), and Sergt. G. H. Mullen, were amongst its other winners of the V.C.; Lieut.-Col. W. W. Foster, ex-M.L.A., was a D.S.O. and winner of 1 Bar and Lieut. F. J. A. Mackenzie, M.L.A., for Delta returned in March after two years' service. Henry Bell-Irving of Vancouver went to France early in 1918 to meet his six sons on service; the late Premier's son Sergt. Raymond Brewster, was killed during the last hours of the War as was Major J. G. Tatlow, son of a late Minister of Finance, earlier in the year. An incident of this period was the retiring of Sir Charles Hibbert Tupper from the Presidency of the Vancouver Red Cross after years of service.

British Columbia was still a Province of great but largely undeveloped resources though the statement is true only in a comparative sense. Its small population in 1917 produced $37,182,570 of Mineral products, Forest products valued at $48,913,115, Fishery products of $15,311,954, Farm produce of $37,661,850 or a total of $139,000,000! In 1918 the total area of land under crop was 17 per cent. greater than in the preceding year; the number of horses and mules in the Province on June 15 was 44,325, of cattle 246,130, of sheep 45,291, of swine 39,805, and of poultry 1,001,805. The great difficulty in development for farms and mining and forests as well as fisheries, was the lack of labour; hence the declaration of the B. C. Fruit Growers' Association on Jan. 17 that "the only possible,

adequate, supply of labour under existing conditions is Oriental, and its importation, under suitable restrictions, must be accepted as inevitable.'' Distances made another difficulty and lack of transportation facilities was always a trouble; hence the efforts of the Government to distribute seed grain, help irrigation, promote stock-raising, assist immigration and settlement and, before the War, to build railways.

Supporting and urging Government action were such organizations as the B. C. Wool Growers' Association, J. H. Wilson, President; the B. C. Stock-breeders', with A. D. Patterson, President; the B. C. Dairymen's Association, S. H. Sharmon, President; the B. C. Fruit Growers, C. E. Barnes, President, and the B. C. Holstein Breeders' Association, with Dr. S. F. Tolmie, M.P., President. Something was done in 1918 along co-operative wool marketing lines; Mr. Barrow re-organized the District agency operations of the Agricultural Department. The actual production of the Province in 1918 (Federal statistics) included 816,000 bushels of wheat worth $1,710,000; 1,550,000 bushels of oats, $1,550,000; 3,423,000 bushels of potatoes worth $3,320,000; 2,429,000 bushels of turnips, etc., $1,457,000; 217,000 tons of hay and clover, $7,228,000; 39,900 tons of alfalfa worth $1,286,000. With some lesser items the total value was $17,545,000.

The 2nd annual Convention of the United Farmers of British Columbia was held in Victoria on Feb. 20 with C. G. Palmer of Duncan in the chair. Resolutions were passed (1) in favour of a non-party platform and policy; (2) asking the Provincial Government to exempt improvements on farm lands from taxation; (3) urging the Department of Agriculture to take steps to suppress the gopher nuisance and to assist the farmer in obtaining seed wheat and oats on credit where such would increase production; (4) urging measures to prevent Oriental aliens from acquiring control of agricultural lands; (5) asking for a Provincial investigation of municipal and school systems in their assessments, taxation, indebtedness, expenditure, accounting, etc., and for machinery to produce more efficient and economic administration of these affairs; (6) endorsing the principle of Provincial Agricultural schools; (7) urging the necessity for immediate abolition of all customs duties on agricultural machinery and implements; (8) asking for a fixed minimum price on hogs and that the Dominion Government either take control of evaporator plants or else compel the evaporators to set a minimum price; (9) approving the conscription of alien labour and declaring that Lumber Companies were retarding settlement in some of the best agricultural districts by isolating certain timber lands. George Clark of Saanich was elected President. A unique incident amongst Canadian public organizations was the passing of a Resolution by the Cowichan branch of the United Farmers declaring that the needs of the district required a representative in the Legislature who was on the spot and that Capt. W. H. Hayward, by reason of his absence Overseas, could not give that attention to his duties which was necessary. This was also endorsed by the Duncan

Board of Trade and resulted in a letter from Captain Hayward tendering his resignation and another to the Speaker with a similar object. The matter did not, however, go any further at this time.

The Lumber development of the year included large contracts for spruce required for Aviation purposes and the throwing open by Order-in-Council and Government legislation of many timber limits and areas; an undertaking at the beginning of the year, through the Imperial Munitions Board, to ship 2,000,000 feet per month of the best Aeroplane spruce for British use; figures of war-time production which totalled in the first nine months of 1915, 730,000,000 feet of lumber, in 1916, 988,000,000 feet and in 1917, 892,000,000 feet with Prince Rupert and the Queen Charlotte Islands showing special progress; the manufacture and shipment of shingles continued to grow from the point of $7,609,834 in value which the industry reached in 1917. In March, 1918, the logging interests, the lumbermen, the shingle and box manufacturers, the saw-mill owners and Department of Land officials met in conference and on the 22nd it was announced that a War Advisory Committee would be formed to promote and ensure co-operation for purposes of production and sale in a Lumber and Forest production which totalled $46,000,000 in value for 1917. During 1918, as a result of these and other factors, there was great prosperity in this branch of Provincial development with 150,000,000 feet of lumber shipped, or three times the pre-war quantity, and a valuation of $54,162,523.

Under the Government's Spruce Cutting Act, spruce was commandeered and compensation given the owners of expropriated timber at a specific flat rate, with an aeroplane spruce and fir production in January-November of 35,348,000 feet. During the year 291 saw-mills with a daily capacity of 8,637,000 feet and 758 shingle mills with a daily capacity of 11,420,000 shingles, were in operation; pulpwood showed a product of 169,387 tons and paper 120,483 tons; the revenues of the Forest Branch of the Ministry of Lands were $2,730,808 or $500,000 more than 1917. At this time the Forest land in the Province was estimated at 149,344 square miles or 42 per cent. of the land area but the official statement of Conservation Commission experts was that only about one-third of this area carried timber of commercial value and that on 97,333 square miles of forest land, the mercantable timber had been cut or destroyed by fire while about one-half of the area still timbered with merchantable stands had suffered severely from the same causes. The total stand of saw timber and pulpwood material was put at 366,300,000,000 feet B.M.

Shipbuilding was a source of both profit and high industrial hope to the Province in this year. It entered upon 1918 with 5,000 men engaged in the industry, a pay-roll of nearly $500,000, a construction programme involving 117,000 gross tons of commercial shipping with a carrying capacity of 185,000 tons and a value of $27,000,000. The Imperial Munitions Board, the Dominion and Provincial Governments, were all concerned in this development and though the new Provincial Government did not carry out the Bowser

Shipbuilding Act of 1916 which would have bonused the construction of ships, it was hardly necessary with such competition in orders from other Governments which wanted ships and needed them badly. In August it was estimated that the combined employees in Provincial ship-building plants—including metal workers, wood-workers and allied trades—was over 10,000; that the number of employees in other industrial plants had been increased 25 per cent., and the output of products by about 50 per cent.; that the estimated industrial output for the Province, including ships, was over $125,000,000, as compared with $72,000,000 in 1915. The number of employees in all plants was 45,000 and the pay-roll about $25,000,000 compared with $15,000,000 in 1915. Wood and steel ship-building were equally prosperous and Vancouver and Victoria benefitted greatly—when the workers were not on strike—while Prince Rupert hoped to follow suit in the new year.

As to Fisheries there were lights and shadows. The final Report of the Fishery Commission of 1917—W. Sanford Evans, H. B. Thomson and F. T. James—was made public in March and dealt at length with the difficult Salmon question. In the opinion of the Commissioners, all the conditions surrounding this industry should be stabilized, and the inefficient use of capital and labour obviated or prevented. The salmon industry should contribute to the public treasury through graduated license fees such proportion of its profits as were in excess of a reasonable return for capital and enterprise. Government administration should be in more direct and intimate touch with the Fisheries and all appointments to the Inspection staff should be placed under the Civil Service Commission. Beginning with 1919 the Commissioners recommended that only one form of gill-net license be issued without reference to any Cannery, and that competence as fisherman be established as a qualification for the license. British citizenship should be insisted on. Continued efforts were made to obtain United States co-operation in protecting the Fisheries on the Fraser River with the subject under discussion at gatherings of American and Canadian cannerymen and trap-owners, purse-seiners and gill-net fishermen and a general Conference of Washington and British Columbia representatives was held at Seattle on Apr. 26th. No definite policy was developed.

The International Fisheries Commission was at Vancouver on May 6 and was told by Hon. William Sloan, B. C. Commissioner of Fisheries, that: "The run of sockeye to the Fraser is perilously near extermination. They will be exterminated if conditions remain as they are, and in so short a period as to wipe out all interests of both fishermen and canners. In view of the evidence there is, in my judgment, but one thing to do. The total prohibition of sockeye fishing in the waters frequented by those produced in the Fraser River, until such time as they have recovered from their depleted condition. The watershed of the Fraser will, when adequately protected, produce more sockeye salmon than any known watershed. It produced in 1913 2,300,000 cases. In the three following years it produced an average of but 267,000 cases per year." J. P. Babcock,

Assistant Commissioner, urged four years' closure as essential. The latter spent four weeks in August inspecting the spawning grounds of the Fraser River basin and he reported on his return that there were literally no sockeye salmon in many of the northern sections of the watershed and too few in all sections to produce even a small run four years hence. "The Fraser is fished out," he said. "Conditions this year are even worse than they have been." But neither discussions, Commissions nor reports could solve the complexities of international and business rivalry and competition and nothing was done. The 1918 Salmon pack was large with a total of 1,616,157 cases but the sockeye portion was only 276,457 cases as against 339,848 cases in 1917 while the once mighty Fraser only gave 206,003 cases. As a whole the product for the year had been purchased by the British Government in August at a cost of about $8,000,000.

Industrial progress in 1918 was marked—aside from shipbuilding. War orders came but they had to be pressed for by the B. C. Manufacturers' Association whose President, J. A. Cunningham, claimed on Jan. 15 that: "Outside of our shipbuilding contracts $20,000,000 would cover the allotment to British Columbia in four years of war." There followed the increasing development of the ship industry, and the legislation as to steel and iron bounties—the latter being preceded by a mass-meeting at Victoria (Feb. 20) which urged (1) the Dominion Government to take immediate action for the establishment on Vancouver Island of a plant or plants to handle the Island's iron ore deposits and for the conversion of the same into finished iron and steel products and (2) the Provincial Government to co-operate with Ottawa to that end and to secure qualified mining engineers to examine and report upon iron deposits and the necessary elements required for the production of pig-iron." Estimates as to iron deposits on Vancouver Island varied from 4,500,000 tons to 20,000,000; W. M. Brewer, M.E., appointed by the Provincial Government in 1916 to investigate the matter put it at 12,888,000 tons. In June the Government appointed Dr. Alfred Stansfield, Professor of Metallurgy at McGill University, to inquire into the commercial possibilities of electrical smelting methods in treatment of the iron ores of the Province. Late in February Mr. Cunningham stated that, despite the lack of war orders, 58 new general industries had been established in 1917 and that the business of that year had totalled $217,000,000. Some orders came from different war sources in 1918, and, apart from Labour troubles, it proved a prosperous year—especially in pulp and paper. The leading organizations in this connection were the B. C. Manufacturers, of which G. G. Bushby, Vancouver, was the 1918 President; the Vancouver Board of Trade with P. G. Shallcross as President and W. A. Blair Secretary; the Victoria Board of Trade with Joshua Kingham as President and F. Elworthy, Secretary for his 29th year.

Mining continued to progress with a total production in 1915 valued at $29,447,508, in 1916 $42,290,462, in 1917 $37,010,392, in 1918, estimated at $41,083,093. Quantities, however, did not ad-

vance as rapidly as values; there was an actual falling off between 1915 and 1917 in gold, silver, lead and coke with increases in copper, zinc and coal. The mining dividends paid in 1917 were $3,165,-351. Incidents of 1918 included the acquisition of the Curle Manganese deposit near Kaslo by Seattle financiers; the raising of smelting rates by the Consolidated Company and the protests of Slocan and Nelson mine-owners; the announced discovery of Magnesite by C. A. Cartwright, of Vancouver, on the P. G. E. Railway near Clinton; the statement of Mr. Sloan, Minister of Mines, in addressing an International Mining Congress at Revelstoke on July 10, that the mining wealth of California was only $37 per capita while that of British Columbia was $115; the decision of Mr. Justice Archer Martin in the famous 5-year-old Hopp *vs.* Ward case, involving ownership of the Cariboo Gold Mining Company's claims—the largest hydraulic gold workings in North America—against the Hopp interests with an appeal to the Privy Council.

Prohibition continued to be discussed in various forms. On Feb. 4th the People's Prohibition Association—Jonathan Rogers, President—presented to the Government a Memorial against compensation to the liquor interests; the 3rd annual Convention of this vigourous body was held at Vancouver on Mch 19 with a Report showing great improvement in all the centres as to arrests for drunkenness, etc., during the last three months of 1917 and urging support to W. C. Findlay who had been appointed to aid in enforcing the Act. As to the future the organization proposed going in other lines of social improvement and John Nelson of Vancouver was elected President. It was claimed by the Vancouver *World* in October, after a year of Prohibition, that its effects had been marvelous; to prove this all the varied war-time prosperity and effects of high wages and demand for labour were credited to this source. Enforcement, however, was difficult in such a country of vast distances and nearness to the sea and proximity to the United States; various protests were made to those in authority, Provincial or municipal, as to failures in this respect. On Dec. 13 W. C. Findlay, the Prohibition Commissioner, was arraigned in the Vancouver Police Court on a charge of importing and selling whisky. On the 16th he pleaded guilty of bringing in about 700 cases and was fined $1,000 or 6 months' imprisonment; the Executive of his late Association passed a Resolution deploring "the gross fraud and breach of trust" involved in this matter; much controversy ensued and on Dec. 22nd Mr. Justice Clement was appointed by the Government to investigate the whole affair—including the alleged importation of 10 carloads of liquor between June and October, 1918.

Incidents of the year included the appointment of Hon. J. A. Macdonald, Chief Justice, to be Administrator in the absence of the Lieut.-Governor—January, 1918; the organization, on Oct. 22, of the B. C. Fire Prevention League with the active co-operation of the Hon. Mr. Farris and H. G. Garrett, Superintendent of Insurance; the disallowance at Ottawa on June 4 of a Provincial Act

passed in May, 1917, "to amend the Vancouver Island Settlers' Right Act of 1904," and which involved large railway and mineral interests, because of a Privy Council decision under which the new Act affected lands transferred to the Dominion Government and by it to the N. and E. Railway Co.; the increase in the rate of interest on Loans under the Land Settlement Board from 6½ to 7½ per cent. while the 1st annual Report of this Board in March showed applications from farmers for $675,486 of Loans made, accepted and the money advanced; the declaration by Hon. W. J. Bowser, Opposition Leader, at Penticton on Jan. 15th in favour of a Union Government in the Province; the final loss by Mrs. W. R. Arnold, in the Dominion Trust liquidation matter, of her appeal to the Supreme Court of Canada for recovery of her late husband's $75,000 Insurance; a decision of the B. C. Court of Appeal in the Kitsilano Reserve Arbitration matter which was favourable to the Dominion Government and rendered a long series of proceedings nugatory; the inauguration on June 11th by the Lieut.-Governor of the imposing Astro-physical Observatory and gigantic Telescope at Saanich; the appointment (Aug. 14) of Frederick Coate Wade, K.C., of Vancouver, writer, publicist, politician, Yukon official and prominent resident of Vancouver since 1904, as Agent General for the Province in London; the increase of Divorces in the Supreme Court of the Province with 42 cases dealt with in the first 6 months of 1918; the opening for settlement of 50,000 acres of new lands in the Bulkley and Nechaco valleys, along the G. T. P. Railway in the Northern interior with a special view to returned soldiers; the Report, in September, of the Special Commissioners—F. A. McDiarmid and R. M. Baird—as to various suggested changes in Municipal law with the proposed appointment of a Local Government Board.

Other incidents included the statement of Vihjalmur Stefansson, the explorer, in the press of Sept. 29th, that "the elimination of wolf packs and the proper conservation of the Province's big game —moose, reindeer, caribou and mountain sheep—would result in an annual possible production of meat totalling 10,000,000 tons"; a Convention at Vancouver on Oct. 15 of B. C. Boards of Trade and the decision to hold semi-annual meetings; the spread of Spanish Influenza in October and the closing of all public institutions in Victoria and Vancouver; the decision by the Privy Council in the much-disputed case of W. R. Arnold and the Dominion Trust Co. that the late Manager had really committed suicide; the appointment of E. E. Leason as B. C. Surveyor of Taxes with V. C. Martin as Assistant; of Dr. A. R. Baker, Vancouver, Frank Moberley, Atlin, and F. Kermode, Victoria, as a Provincial Game Commission; of J. L. White as Deputy Provincial Secretary. The Dominion Trust Company proceedings continued during the year with chaotic conditions which neither Liquidator nor creditors meetings, nor the efforts of Mr. Justice Murphy, could adjust and in October Andrew Stewart, obtained permission to resign his post of Liquidator.

Conditions in the Yukon. The lessening of population in this Territory, the elimination of all but costly hydraulic mining, the restriction of business opportunities and financial resources, caused special Dominion legislation in April amending the Yukon Act. This measure authorized the Government to abolish the Yukon Council and other offices and transfer to any official of the Crown any or all of the duties or functions of the offices abolished. The duties were eventually delegated to the Gold Commissioner—George P. Mackenzie—and the saving in costs of administration was put at $150,000. After June 1st the Territory came under practical Prohibition—the sale by license-holders of liquor within its bounds were still permitted, but no more liquor could be manufactured or imported. Dr. Alfred Thompson was seated finally as M.P. for the Yukon over his 1917 opponent F. T. Congdon, after various proceedings had been gone through; he urged the Government in September to remove the royalty on gold produced in this region so as to encourage investment. As to conditions in general Mr. Mackenzie, Gold Commissioner, stated in Vancouver on Sept. 18 that only Government assistance could enable gold mining to continue there: "The cost of supplies has increased tremendously. The Territory, too, has been drained of its ordinary supply of labour by the demands of war. Thus, with production costs at what seems to be the maximum possible and a depleted labour. market, the mining industry is in a condition which no amount of optimism can make other than precarious. The largest mining operations have been low-grade gravels, and to produce under present conditions of high costs and a standard price means production at a loss." Meantime the Dominion Government had its geologists in the Yukon field and there were statements as to promising silver possibilities.

CANADIAN OBITUARY, 1918

Name	Particulars	Place of Death	Date
Archambeault, Knt., LL.D., The Hon. Sir Horace	Chief Justice of the Province of Quebec	Trois Pistoles	Aug. 25
Allard, M.L.A., The Hon. Louis Jules	Provincial Minister of Lands and Mines	Quebec	Sept. 25
Allen, M.A., Rev. James	Secretary of Methodist Home Missions	Toronto	June 29
Audet, Lieut.-Col. Alphonse	Archivist Department of State, Ottawa	Montreal	April 30
Aylmer, ex-M.P., The Hon. Henry	Sheriff of St. Francis, Quebec	Lennoxville	July 28
Broder, P.C., ex-M.P., The Hon. Andrew	Well known Conservative Politician	Morrisburg	Jan. 4
Brewster, M.L.A., The Hon. Harlan Carey	Prime Minister of British Columbia	Calgary	March 1
Baker, Joseph Allen, M.P.	Member for East Finsbury, England	London	July 2
Bodwell, Ernest Victor, K.C.	Eminent Canadian Lawyer	New Westminster	Jan. 14
Burwash, D.D., LL.D., Rev. Nathaniel	Ex-Chancellor of Victoria College	Toronto	March 30
Bétournay, George Albert	A Pioneer Official and Musician of Manitoba	St. Boniface	June 8
Buchan, Ewing	Banker and Publicist	Vancouver	July 18
Bristol, George Everett	Prominent Citizen and Business Man	Hamilton	Sept. 22
Bligh, Harris Harding, K.C.	Librarian of the Supreme Court for 25 Years	Ottawa	Aug. 21
Costello, John William	A Pioneer Alberta Settler	Calgary	March 10
Calkin, M.A., LL.D., John Burgess	42 Years Principal of the N.S. Normal School	Truro	Sept. 24
Colcleugh, James	1st Mayor of Selkirk, Manitoba	Vancouver	Aug. 22
Dugas, K.C., B.C.L., ex-M.P., The Hon. Francois Octave	Judge of the Superior Court Quebec	Joliette	June 17
Dansereau, Clement Arthur	Postmaster of Montreal 1891-9; Many Years Editor of *La Presse*	Montreal	Mch. 27
Duncan, William	Noted Missionary to the Metlakatla Indians	Metlakatla	Aug. 30
Coté, P. Martial, I.S.O., K.C.,	Officer of the Department of Justice	Ottawa	Jan. 30
Coté, Thomas	Journalist and Secretary International Waterways Commission	Montreal	Jan. 16
Cassils, Charles	Prominent Montreal Business Man	Montreal	July 2
Carmichael, Rev. James, D.D.	Pioneer Presbyterian Minister	Eversley, Ont.	Jan. 19
Chapman, B.A., Wm. Francis	Inspector of Schools for many Years	Toronto	Jan. 15
Campbell, Rev. Dr. George Meikle	Principal Mount Allison Ladies College	Hornell, N.Y.	Dec. 25
Courtney, D.D., LL.D., Right Rev. Frederick	Formerly Bishop of Nova Scotia; Rector Emeritus, St. John's, N.Y.	New York	Dec. 29
Cowan, Wm. Frederick	President of the Standard Bank of Canada	Oshawa	Oct. 28
Chauret, LL.D., ex-M.L.A., The Hon. Joseph Adolphe	Member of Legislative Council of Quebec	Montreal	Aug. 1
Carruthers, Lieut.-Col. George Frederick	Prominent in Military, Civic and Business Life	Winnipeg	June 23
Dion, Very Rev. Georges Auguste	Provincial of the Congregation of the Holy Cross	Montreal	Oct. 8
Douglas, B.A., LL.D., James	Chairman Phelps-Dodge Corporation, N.Y.; Chancellor of Queen's, University, Kingston	New York	June 25
Douville, Mgr. Joseph Antoine	Vicar General of Nicolet	Nicolet	Aug. 12
Donaldson, Morley	Ex-Vice-President and General Manager of the G.T.P. Railway	Ottawa	Aug. 27
Ellis, Richard Yates	Financier and Art Connoisseur	Toronto	Dec. 10

Name	Particulars	Place of Death	Date
Ellis, Thomas	Pioneer Cattle Rancher	Victoria, B.C.	Feb. 1
Eakin, ex-M.L.A., William	One-time Speaker of the North-West Assembly	Saltcoats, Sask.	Mch. 14
Fraser, Alex. D.	Well-known Business Man	Montreal	Oct. 1
Fraser, James Dewar	Secretary-Treasurer, Ottawa Electric Railway	Ottawa	Dec. 20
Fraser, K.C., Maxwell D.	President of *Free Press* Ptg. Co.	London	Jan. 25
Farmer, B.A., K.C., John G.	Well-known Barrister	Hamilton	Aug. 21
Fessenden, Mrs. Clementina	A Founder of Empire Day	Hamilton	Sept. 14
Fearon, James	Principal of Halifax School for the Deaf for 27 Years	Wolfville	June 29
Jessop, M.D., ex-M.L.A., Elisha	Member of Legislature for 20 Years	St. Catherines	Oct. 24
Fawcett, George A.	P.G.W.P. of the Sons of Temperance	Sackville	Aug. 16
Gillmor, The Hon. Daniel	Senator of Canada	Westmount, P.Q.	Feb. 22
Gibbons, K.C., Sir George Christie	Chairman Canadian Section of International Waterways Commission	Montreal	Aug. 8
Grannan, ex-M.L.A., Philip	Prominent Business Man	St. John, N.B.	Feb. 17
Gilmour, M.D., ex-M.L.A., John Taylor	Parole Commissioner of Ontario; President in 1908 of the American Prison Association	Toronto	July 29
Grieve, James N.	One-time M.P. of North Perth	Spokane	Aug. 5
Hall, ex-M.L.A., Richard	Active Public Man	Victoria	Mch. 29
Hemming, Maj.-Gen. Thomas Davis Robinson	Lately in Command Military District No. III.	Kingston	Jan. 8
Hay, The Hon. E. H. G. G.	Outstanding Figure in Pioneer Public life of Manitoba	Lockport	Nov. 23
Horsey, J. Haydn	Manager Dominion Bank, London		
Hutchinson, ex-M.L.A., Ernest	Politician and Lumber Operator	London, Eng.	Dec. 26
		Columbia, S.C.	Dec. 5
Howell, The Hon. Hector Mansfield	Chief Justice of Manitoba	Winnipeg	April 7
Hanna, M.D., M.P., Adelbert Edward	Politician and Physician	Westmount	Oct. 6
Hersey Randolph	Well-known Manufacturer		
Jones, S.J., LL.D., F.R.S.C., Rev. Arthur Edward	Author and Archaeologist	Montreal	Jan. 19
Kendry, ex-M.P., James	Prominent Manufacturer	Peterborough	Nov. 4
Kay, M.C., Major John	Prominent Military Man	Ottawa	Dec. 15
Kilgour, Robert	Financier and Manufacturer	Toronto	Dec. 2
Lane, K.C., ex-M.L.A., Jules Alfred	Prominent Criminal Lawyer	Quebec	Oct. 25
Leduc, O.M.I., Very Rev. Hippolyte	Vicar-General of the Archdiocese of Edmonton	Edmonton	June 29
Martell, M.A., D.C.L., The Ven. George Rigby	Archdeacon of Nova Scotia	Halifax	June 7
Mahoney, D.C.L., Mgr. John Mathew	Vicar-General of the Hamilton Diocese	Hamilton	May 9
Mowbray, Lieut.-Col. Thomas	Formerly in Command of Halifax Garrison Artillery	Halifax	Oct. 29
Mason, Brig.-Gen. The Hon. James	Hon. President and Founder of the Home Bank; Senator of Canada, President of many Public bodies	Toronto	July 16
Merritt, Lieut.-Col. William Hamilton	President of Canadian Military Institute, and Aero Club of Canada	Toronto	Oct. 26
Mulock, Cawthra	Toronto Financier and Millionare	New York	Dec. 1
Jordon, William Coleman	Busines Manager of the St. John *Globe*	St. John	
Jones, M.D., F.R.S.C., Oswald Meredith	Prominent Surgeon	Victoria	April 2
Lachapelle, M.D., LL.D., Emmanuel Persillier	Chairman of Provincial Board of Health, Montreal	Rochester	Aug. 1
Legaré, Jean Louis	A Leader of the Western Métis	Willow Bunch	Feb. 1
Lang, Rev. James	Prominent Presbyterian Minister	New Westminste	Mch. 23
Luke, Sydney A.	P.G.M. of the Grand Lodge A.F. and A.M.	Toronto	Nov. 23

Name	Particulars	Place of Death	Date
Martin, Mgr. Wilbrod Cleophas	Domestic Prelate to the Pope and Procurator and Archdeacon of Montreal	Montreal	July 10
MacTavish, Duncan Byron	Senior Judge of the County of Carleton	Ottawa	Dec. 22
MacDonnell, D.S.O., Lieut.-Col. James Alexander	Engineer, Railway Builder and Soldier	Hot Springs	June 16
MacGregor, Hon. James Drummond	Senator and Manufacturer, Lieut.-Governor of Nova Scotia	New Glasgow	Mch. 4
McShane, ex-M.L.A., ex-M.P., Hon. James	One-time Mayor of Montreal and Quebec Minister of Public Works	Montreal	Dec. 14
McCrae, Lieut.-Col. John	Author of "In Flanders Fields"	France	Jan. 28
McQueen, ex-M.L.A., Joseph Avard	For 10 years High Sheriff of Westmoreland	Dorchester	Nov. 16
McNeil, ex-M.L.A., The Hon. Daniel		Antigonish	Nov. 16
McKilligan, John Black	Judge of the County Court	Victoria	Jan. 5
O'Hara, Henry	Provincial Surveyor of Taxes and Inspector of Revenue	Toronto	Aug. 15
O'Keefe, ex-M.L.A., George	Prominent Insurance and Business Man	Ottawa	Nov. 3
Ockley, D.D. Rev. John F.	Ex-Police Magistrate of Ottawa	Toronto	Jan. 26
Pollok, D.D., LL.D., Rev. Dr. Allan	Distinguished Methodist Minister	Pine Hill	July 7
Peytavin, O.M.I., Father Edmund	Hon. Principal Halifax Presbyterian College	New Westminster	Feb. 3
Phillipps-Woolley, Knt., F.R.G.S., Sir Clive	Pioneer Missionary	Somenos, B.C.	July 8
Prendergast, Joseph Albert	Prominent Imperialist, Poet and Traveller	St. Boniface	Dec. 28
Robertson, ex-M.P., John Ross	Publicist and Business Man	Toronto	May 31
Racine, M.L.C., The Hon. Alphonse	Founder and Publisher of Toronto *Telegram*	Westmount	May 29
Rainsford, Henry Bartlett	Prominent Business Man	Fredericton	Oct. 18
Robinson, Rev. Richard	Clerk of the N.B. Legislature since 1888	Westmount	Mar. 10
Rogers, William Brown	Well-known Methodist Minister	Toronto	May 17
Richardson, The Hon. Henry Westman	Postmaster of Toronto	Kingston	Oct. 27
Ross, K.C., John T.	Senator of Canada	St. John	Mch. 16
Spence, John	Member N.S. Public Utilities Board	Toronto	Nov. 29
Stewart, The Hon. A. D.	Principal, Kent School	Brookline, Mass	Oct. 28
Spohn, ex-M.P., Dr. Philip Howard	Commissioner of Public Works, P.E.I., 1876-8	Toronto	Nov. 14
Sharpe, L.L.B., D.S.O., M.P., Lieut.-Col. Samuel Simpson	Well-known Medical Man	Montreal	May 25
Schrieber, K.C.M.G., Sir Collingwood	ex-Member of Parliament for Northern Ontario	Ottawa	March 22
Sise, Charles Fleetford	Eminent Civil and Railway Engineer	Montreal	April 9
Sola, Rabbi Aaron David Meldola de	President Bell Telephone Co. of Canada	New York	April 29
Scholes, John Francis	Eminent Jewish divine of Montreal	Toronto	Mch. 4
Seath, Major David	Well-known Sportsman	Westmount	Feb. 23
Shaw, Prof. Thomas	Sec.-Treas., Montreal Harbour Commission	St. Paul	June 25
Suffa, O.M.I., Ph.D., Rev. Father Augustine	Well-known Author and Agriculturist	Regina	Oct. 13
Stearns, Sergeant Prentiss	Eminent Western Priest	Montreal	Nov. 15
Sweny, Colonel George Angus	Prominent Insurance Man and Publicist	Toronto	Jan. 27
Simpson, Dr. Thomas	British Army Officer and Sportsman	Montreal	July 11
Steele, K.C.M.G., C.B., M.V.O., Major-Gen. Sir Samuel Benfield	Prominent Physician	Putney	Jan. 30
Trotter, D.D., LL.D., Prof. Thomas	Commanding Canadian and British Forces at Shorncliffe	Toronto	June 7
	10 Years President of Acadia University		

Name	Particulars	Place of Death	Date
Trees, Samuel	Well-known Business Man..	Toronto .....Jan.	13
Tingle, B.A., Ph.D., F.C.S., F.R.S.C., John Bishop ...	Professor of Chemistry and Minerology at McMaster University, Toronto	Ottawa .....Aug.	6
Taylor, John	Manager of *Financial Times*	Montreal .....April	4
Travers, Dr. Boyle	Well-known Physician ...	St. John .....April	7
Vowell, ex-M.L.A., Arthur Wesley	One-time Speaker of Legislature; B.C. Superintendent of Indian Affairs for 21 Years	Victoria .....Sept.	26
Valade, M.D., Francois Xavier	Well-known Physician	Ottawa .....Mch.	27
Villeneuve, M.D., George ...	Medical Superintendent of the St. Jean de Dieu Asylum	Quebec .....Jan.	21
Wilkinson, William	County Judge of Restigouche, Gloucester and Northumberland for 24 Years	Chatham .....Nov.	21
White, C.M.G., Lieut.-Col. Frederick	Administrator of the North West Territories since 1905	Ottawa .....Sept.	27
Wedderburn, K.C., ex-M.L.A., The Hon. William	One-time Provincial Secretary and Formerly Judge of Kings and Albert Counties	St. John, N.B. .April	5
Wegenast, George	Managing Director, Mutual Life Assurance Co. of Canada	Waterloo .....May	1
Wallis, M.L.A., Richard P. .	Member B.C. Legislature ..	Moncton, N.B. .Oct.	14
Westbrook, M.A., LL.D., F.R.S.C., Frank Fairchild..	President of the University of British Columbia	Vancouver ....Oct.	20
Watson, K.C., George Hugh	Prominent Barrister	Toronto	
Wootton, Stephen Yardley..	Registrar-General of Titles for 20 Years	Victoria .....Oct.	23

SUPPLEMENT

Canadian Finances, Resources, Business

Annual Reports and Addresses

A GREAT CANADIAN INSTITUTION

THE CANADIAN PACIFIC RAILWAY IN 1918*

FIRST ANNUAL REPORT

OF

MR. E. W. BEATTY AS PRESIDENT

The accounts of the Company for the year ended December 31st, 1918, show the following results:—

Gross earnings		$157,537,698.05
Working expenses		123,035,310.38
Net earnings		$34,502,387.67
Deduct fixed charges		10,177,512.98
Surplus		$24,324,874.69
Contribution to Pension Fund		500,000.00
		$23,824,874.69
Deduct net earnings of Commercial Telegraph, January and February, transferred to Special Income Account		193,976.64
		$23,630,898.05
From this there has been charged a half-yearly dividend on Preference Stock of 2 per cent., paid October 1st, 1918	$1,613,638.42	
And three quarterly dividends on Ordinary Stock of 1¾ per cent. each, paid June 29th, 1918, October 1st, 1918, and December 31st, 1918	13,650,000.00	
		15,263,638.42
		$8,367,259.63
From this there has been declared a second half-yearly dividend on Preference Stock, payable April 1st, 1919	$1,613,638.42	
And a fourth quarterly dividend on Ordinary Stock of 1¾ per cent., payable April 1st, 1919	4,550,000.00	
		6,163,638.42
Leaving net surplus for the year (which amount has been placed in reserve to meet special taxes imposed by the Dominion Government)		$2,203,621.21

In addition to the above dividends on Ordinary Stock, three per cent. was paid from Special Income.

2. The working expenses for the year amounted to 78.10 per cent. of the gross earnings, and the net earnings to 21.90 per cent., as compared with 69.46 and 30.54 per cent. respectively in 1917.

3. There were no sales during the year of Four per cent. Consolidated Debenture Stock, Four per cent. Preference Stock, or other Capital Securities.

4. In consequence of the provisions of the Order of the Governor-General-in-Council passed in March of last year, imposing Special Taxes upon the Company, the net surplus from railway opera-

*Note. For a History of the C.P.R. see Supplement to *The Canadian Annual Review* for 1911; for Lord Shaughnessy's last address as President see 1917 Supplement.

tions for the year has been placed in reserve to meet such special taxes, and a notation to that effect appears in the accounts.

5. The sales of agricultural land in the year were 842,191 acres for $15,375,996, being an average of $18.25 per acre. Included in this area were 64,424 acres of irrigated land which brought $42.94 per acre, so that the average price of the balance was $16.22 per acre.

6. Pursuant to the policy adopted by your Directors in 1916 one hundred farms for returned soldiers were prepared for occupation and qualified men have already been placed on a number of them. In the opinion of your Directors it is desirable that the Company should continue, as conditions warrant, the preparation of farms and the sale of them on favourable terms to soldiers who have served in the Canadian or Imperial Forces and to Canadians who have served in the Allied Armies.

7. At the outbreak of hostilities your Company had in commission in Atlantic and Pacific service 38 steamers, with an aggregate gross tonnage of 342,000 tons. Since August, 1914, the construction of 4 steamers previously authorized, having a gross tonnage of 54,000 tons, has been completed, and 12 steamers of 69,000 gross tonnage have, in the same period, been purchased. During the war 15 steamers were lost by enemy action or through accidents at sea, and 9 have been sold to the British Admiralty after having been requisitioned. The construction at the yards of the Fairfield Shipbuilding Company of a ship 625 feet in length between perpendiculars, having a gross tonnage of 21,000 tons, is to be proceeded with pursuant to the authorization previously given, and three passenger ships of what is known as the intermediate class, for Atlantic service, two of which have been previously authorized, will be put under construction as soon as possible at the dars of John Brown & Son and the Fairfield Shipbuilding Company. At the end of the fiscal year your Company had in ocean service 28 steamers having a gross tonnage of 264,000 tons, and 6 steamers under order or purchased but not delivered having a gross tonnage of about 80,000 tons. On their delivery the total tonnage of the fleet will be slightly in excess of aggregate tonnage of the vessels in commission on 3rd August, 1914.

8. In May of last year, in consequence of the demands for increases in wages made to the Railroad Administration of the United States, substantial increases in all wage scales on American Lines were authorized, and were accompanied by increases in freight and passenger rates. Demands for wage increases were likewise made in Canada, and, by Orders-in-Council passed under the War Measures Act in July last what is known as the McAdoo Scale of Wages was made effective in Canada, and increases in freight rates generally similar to those granted in the United States were made effective on all Canadian railways.

9. There will be submitted for your consideration and approval a lease of the Gaslo and Slocan Railway, extending from a point of

junction with the Whitewater Creek Branch of the Nakusp and Slocan Railway at Retallack to Kaslo, in the Province of British Columbia, a distance of 17.7 miles, the control of which was secured by your Company with your approval under agreement with the Province of British Columbia in 1912.

10. With your approval the Directors in 1893 concluded an agreement for the leasing of the railway of the Nakusp and Slocan Railway Company at a rental of 40 per cent. of the gross earnings. Bonds of the Nakusp and Slocan Company to the amount of £132,960 were issued, guaranteed as to principal and interest by the Province of British Columbia and matured on July 1st, 1918. The rental paid by this Company has not been sufficient to pay the interest on the Bonds, and $321,698 had been advanced by the Province for this purpose up to December 31st, 1917. The lease of the railway of the Nakusp and Slocan Company will expire in 1920, and during its existence your Company has expended very substantial amounts in necessary betterments and improvements. In consequence of representations made by the Provincial Government your Directors have agreed to the purchase by the Company from the Government of Bonds of the Nakusp and Slocan Company to the above amount at the actual cost to the Province of acquiring them, but not exceeding their face value, upon conditions which involve the extinguishment of all claims of the Province against the railway. All the issued capital stock of the Nakusp and Slocan Company is held by your Company, and the arrangement is, in the opinion of your Directors, warranted by the value of the railway as a traffic contributor to your Company's system.

11. Subsequent to your approval your Directors have concluded an agreement with the Grand Trunk Pacific Railway Company providing for the use by that Company of your Company's railway from a point east of Sutherland to a point west of Saskatoon, together with the use of your Company's passenger, express, and freight facilities at Saskatoon station. The agreement is for a term of 21 years from the 2nd September, 1918, the rental payable by the Grand Trunk Pacific being based upon interest at the rate of 5 per cent. per annum on half the agreed capital account and the payment of maintenance expenses on a wheelage basis.

12. You will be asked to sanction the issue and sale of Consolidated Debenture Stock to defray the cost of construction of that portion of the Moose Jaw South-westerly Branch from Mileage 35 to Mileage 66, to an amount not exceeding £6,000 per mile.

13. Your Directors are of the view that the construction of additional branch line mileage in the West will be necessary in the near future, and your authority will be asked for proceeding with the construction of the following lines when conditions warrant such construction, and for the issue and sale of a sufficient amount of Four per cent. Consolidated Debenture Stock to meet the expenditure, viz.:—

Empress to Milden Branch, 132 miles.
Empress to Acme Branch, 132 miles.
Vidora East Branch, 35 miles.
Russell North Branch, 15 miles.
Lanigan North Branch, 150 miles.

14. Subject to your approval your Directors have authorized expenditures on capital account during the present year of $4,482,000, apportioned to the following works, namely:—

Replacement and enlargement of structures in permanent form	$545,000
Additional stations, roundhouses, freight sheds, ice houses and extensions to existing buildings	525,000
Additional terminal and side-track accommodation	400,000
Tie plates, rail anchors and miscellaneous roadway improvements	1,017,000
Lining tunnels, British Columbia district	185,000
Automatic block-signal protection	112,000
Surveys for new lines and power possibilities	125,000
Miscellaneous improvements, and additions designed to improve the facilities of the Company and to effect operating economies	1,103,000
Improvements in connection with telegraph service	470,000

15. Your Company subscribed to $17,000,000 of the Second Victory Loan and was allotted $12,447,000 of its subscription. Included in this latter amount was $4,866,666 allotted in exchange for the surrender by the Company of £1,000,000 Dominion of Canada 3¾ per cent. Bonds maturing in 1919.

16. The gross earnings of your transportation system in the fiscal year exceeded those of any previous year in the history of the Company, and exceeded those of 1917 by $5,148,363, but the net earnings were less by $12,043,630. This large addition of $17,191,993 to the working expenses is principally due to the great advances in wages, though the increased cost of fuel and materials of every description also added a substantial amount to the year's expenses.

17. The Board of Railway Commissioners having amended in certain respects the general train and interlocking rules effective upon the lines of all railway companies subject to the jurisdiction of the Parliament of Canada, the appropriate changes in the existing By-laws of your Company will be submitted for your confirmation and approval.

18. The Right Honourable Lord Shaughnessy, K.C.V.O., who has been President of the Company for the past nineteen years, expressed his desire to retire from office in October last and his resignation was accepted with the deepest possible regret. During his tenure of office the Company has enjoyed extraordinary and uninterrupted prosperity and now stands among the foremost transportation companies in the world. Your Directors appreciate that this result has been due to Lord Shaughnessy's able and most devoted services which have earned the admiration of the community and the gratitude of the shareholders. Your Directors learned with gratification of Lord Shaughnessy's willingness to continue as Chairman of the Company, and that the benefit of his counsel and advice will not therefore be lost to the Company. Mr. E. W. Beatty was elected President of the Company.

19. You will be asked to approve verbal amendments to By-laws of the Company passed by your Directors and made necessary by the separation in the positions of Chairman of the Company and President.

20. In order to give his entire time to your Steamship interests, Mr. George M. Bosworth, who for twenty-two years has been in charge of the Company's freight traffic and for seventeen years Vice-President in charge of Traffic, resigned his office and will hereafter be exclusively identified with the Company's Steamship enterprises as Chairman of the Canadian Pacific Ocean Services Limited. Mr. W. R. MacInnes formerly Freight Traffic Manager, was appointed Vice-President in charge of Traffic in succession to Mr. Bosworth.

21. Vice-President Sir George Bury, after a service of over thirty-five years during which he held many positions of increasing responsibility and importance and in all of which he showed energy and ability of a very high order, resigned from the Company's service in October. He at the same time retired from the Board and from the Executive Committee. Mr. Grant Hall, Vice-President of Western Lines, was elected Vice-President, a member of the Board of Directors and of the Executive Committee in succession to Sir George Bury.

22. The undermentioned Directors will retire from office at the approaching Annual Meeting. They are eligible for re-election:—

MR. RICHARD B. ANGUS, SIR HERBERT S. HOLT,
SIR EDMUND B. OSLER, BRIG.-GEN. FRANK S. MEIGHEN, C.M.G.

For the Directors,
E. W. BEATTY,
President.

MONTREAL, March 19th, 1919.

GENERAL BALANCE SHEET
OF
THE CANADIAN PACIFIC RAILWAY CO., 1918

ASSETS.

Property Investment—		
Railway, Rolling Stock Equipment and Lake and River Steamers		$542,656,974.97
Ocean and Coastal Steamships, Exhibit "A"		27,509,419.67
Acquired Securities (Cost): Exhibit "B"		123,195,564.18
Advances to controlled properties and insurance premiums		6,660,746.99
Investments and Available Resources:—		
(Including amount held in trust for 6% Note Certificates, $57,131,199.06.)		
Deferred Payments on Lands and Townsites..	$ 60,704,530.48	
Imperial and Dominion Government Securities ..	30,682,057.44	
Provincial and Municipal Securities	2,031,721.29	
Debenture Stock loaned to Imperial Government	40,000,000.00	
Miscellaneous Investments, Exhibit "C," Cost..	26,897,558.49	
Assets in Lands and Properties, Exhibit "D" ..	105,109,626.47	
Cash	13,482,364.53	
		278,907,858.70

Working Assets:—		
Material and Supplies on Hand	$22,135,952.44	
Agents' and Conductors' Balances	4,040,562.96	
Net Traffic Balances	442,991.84	
Imperial, Dominion and United States Governments, Accounts due for Transportation, etc.	3,797,886.56	
Miscellaneous Accounts Receivable	6,377,139.05	
Cash in Hand	39,548,416.63	
		76,342,949.48
		$1,055,273,513.99

LIABILITIES.

Capital Stock:—		
Ordinary Stock	$260,000,000.00	
Four Per Cent. Preference Stock	80,681,921.12	
		$340,681,921.12
Four Per Cent. Consolidated Debenture Stock		216,284,882.10
Mortgage Bonds:—		
Algoma Branch 1st Mortgage 5 per cent		3,650,000.00
Note Certificates 6 Per Cent.		52,000,000.00
Current:—		
Audited Vouchers	$9,188,177.61	
Pay Rolls	5,216,537.81	
Miscellaneous Accounts Payable	8,960,573.10	
		23,365,288.52
Accrued:—		
Rentals of Leased Lines and Coupons on Mortgage Bonds		539,282.64
Equipment Obligations		8,930,000.00
Reserves and Appropriations:—		
Equipment Replacement	$3,959,931.83	
Steamship Replacement	18,649,395.98	
Reserve Fund for Contingencies and for Contingent War Taxes	21,929,788.37	
		44,539,116.18
Premium on Ordinary Capital Stock Sold		45,000,000.00
Net Proceeds Lands and Townsites		84,079,684.88
Surplus Revenue from Operation		127,275,369.58
Special Reserve to meet Taxes imposed by Dominion Government		2,203,621.21
Surplus in other Assets		106,724,347.76
		$1,055,273,513.99

RECEIPTS

YEAR ENDED DECEMBER 31ST, 1918.

Cash in hand, December 31st, 1917		$31,424,893.61
RECEIPTS:—		
Surplus Revenue as per statement	$23,630,898.05	
Special Income as per statement	8,128,751.51	
		31,759,649.56
LAND DEPARTMENT:—		
Lands and Townsites:		
Proceeds of Sales and Interest, less cancellations.	$14,376,745.01	
Less Sales Expenses and Irrigation	3,664,358.41	
	$10,712,386.60	
Deferred Payments on previous year's sales	3,289,257.01	
	14,001,643.61	
Amount remaining in Deferred Payments on the sales of the year	8,167,588.96	
		5,834,054.65
Amount of repayment of Advances to Governments		12,960,100.00
Amount applied in reduction of Cost of Mining and other Properties, Exhibit "D"		25,449.46
		$82,004,147.28
DEDUCT:—		
Agents' and Conductors' Balances	$4,040,562.96	
Net Traffic Balances	442,991.84	
Imperial, Dominion and United States Governments	3,797,886.56	
Miscellaneous Accounts Receivable	6,377,139.05	
Advances to Controlled Properties and Insurance Premiums	6,660,746.99	
	$21,319,327.40	
Amount at December 31st, 1917	20,648,558.74	
		670,768.66
		$81,333,378.62

EXPENDITURES.

Dividends on Preference Stock:—		
2 per cent. paid April 1st, 1918	$1,613,638.42	
2 per cent. paid October 1st, 1918	1,613,638.42	
		$3,227,276.84
Dividends on Ordinary Stock:—		
2½ per cent. paid April 1st, 1918	$6,500,000.00	
2½ per cent. paid June 29th, 1918	6,500,000.00	
2½ per cent. paid October 1st, 1918	6,500,000.00	
2½ per cent. paid December 31st, 1918	6,500,000.00	
		26,000,000.00
Additions and Improvements, main line and branches, Exhibit "E".		2,903,019.08
Expenditures on leased and acquired lines, Exhibit "F"		1,195,334.42
Shops and Machinery		48,058.23
Ocean and Coastal Steamships:—		
Payments on Steamships acquired and under construction	$7,236,659.52	
Less amount paid from Steamship Replacement	6,537,787.25	
		698,872.27
Deposited with Trustee, Special Investment Fund		6,015,630.98
Securities Acquired:—		
Alberta Stock Yards Co. Stock	$4,800.00	
Kingston & Pembroke Ry. Stock	12.50	.....
Public Markets, Ltd., of Manitoba, Stock	53,400.00	
Lake Erie & Northern Ry. 1st Mortgage Bonds.	10,000.00	
Manitoba & North Western Ry. 1st Mortgage Bonds	425.83	
West Kootenay Power & Light Co. 1st Mortgage Bonds	35,283.33	
Trustee Securities	1,396,822.18	
		1,500,743.84
Payments on subscriptions to Government Loans		10,275,648.47
Payment of Equipment Obligations		1,100,000.00
Increase in Material and Supplies on hand		4,232,996.93
		$57,197,581.06
Deduct Increase in Liabilities:—		
Current Liabilities	$23,365,288.52	
Interest on Funded Debt	539,282.64	
Reserves and Appropriations	44,539,116.18	
	$68,443,687.34	
Amount at December 31st, 1917	53,031,068.27	
		15,412,619.07
		$41,784,961.99
Cash in hand		39,548,416.63
		$81,333,378.62

THE CANADIAN PACIFIC RAILWAY AND THE WAR

THE GREAT RECORD OF AN EMPIRE INSTITUTION

Of all the Imperial enterprises outside the British Islands, the Canadian Pacific Railway has perhaps had more points of contact with the war than any other. Its fleets of steamers on the Atlantic and the Pacific, linked across the North American continent by a railway admirably equipped with rolling stock, its great manufacturing plant in the Angus Shops at Montreal, its terminal elevators and facilities for rapid handling of food supplies, its affiliations with railways serving industrial centres in the United States, its staff of engineering, financial and administrative experts—these combined to make the "C.P.R." an auxilliary of exceptional value to the British war machine, in view of the world-wide character which the war quickly assumed and the necessity of bringing to the battlefields of France with the utmost rapidity, supplies and men from the North-American continent and from the Far East.

The *personnel* of the management and employees was also favourable to quick action. The Canadian Pacific has always taken pride in its place in the Empire—it has always claimed to be the Imperial Highway from Great Britain across Canada to Hong Kong, carrying the mails, innumerable passengers, and much freight halfway round the globe between Great Britain and its outposts on the Pacific. On the Atlantic it fought the battle of British shipping when it challenged the German domination of the so-called "Pool" by inaugurating a steamship service to Trieste, and on the Pacific it successfully upheld the British Flag against the fierce competition of American and Japanese lines. The Imperial services of its chairmen and presidents—Lord Mount Stephen, Sir William Van Horne, and Lord Shaughnessy—have been recognized by the Crown.

When signs pointed to war, before an actual declaration had been made, the whole system was keyed up to take its part in supporting the British cause—and the hundred thousand miles of Canadian-Pacific telegraph system was kept humming with messages mobilizing the rolling stock for the calls which such an effort was sure to demand. Every Canadian knew that in the event of a war between Great Britain and Germany, Canada would send troops overseas—the larger the number the better; there were many reservists throughout the country to be rushed to the Atlantic ports, and Great Britain's need of food-stuffs from Canada meant speeding-up the grain shipments from the harvests of the West.

War, therefore, found the Canadian Pacific ready and willing, and from New Brunswick and Nova Scotia on the Atlantic to Brit-

ish Columbia on the Pacific, every one of the 85,000 employees felt that he or she was enlisted in the ranks. Right of way was given to all troops and supply trains. There was every reason to expect attempts to dynamite bridges on a railway of such strategic value, and it was due to the enlistment of two thousand special sentries that only one such attemp ever got so far as an explosion,—delaying the passage of trains at Vanceboro for six hours.

It was through its ocean services that the Canadian Pacific came into more direct touch with the war. On the outbreak of hostilities the British Admiralty requisitioned the principal vessels of the Company on both the Atlantic and the Pacific for service as armed cruisers and transports. Canadian Pacific steamers, thirty-seven in number, with a gross tonnage of 329,960 have been in Government service during the war either as cruisers or as transports and freight carriers. During the war these Canadian Pacific steamers transported approximately 1,000,000 troops and passengers from or to Canada, the Mediterranean, Indian, China, Egypt, Gallipoli, Mesopotamia, across the English Channel, on the Pacific, in addition to about 4,000,000 tons of cargo, munitions, supplies, etc.

At the outbreak of war the Canadian Pacific Ocean Services Limited had in commission in the Atlantic and Pacific services thirty-eight steamships, with an aggregate gross tonnage of 342,000 tons. Since August, 1914, the construction of four steamships, previously authorized, having a gross tonnage of 54,000 tons, has been completed, and twelve steamships of 69,000 gross tons, have been purchased within the same period. During the war fifteen steamships were lost by enemy action or through accidents at sea, and nine have been sold to the British Government after having been requisitioned. The fifteen steamships lost through enemy action, or through accidents at sea were the following:—

Through enemy action: Calgarian, 17,515 gross tons; Carthaginian, 4,444 tons; Ionian, 8,268 tons; Hesperian, 10,920 tons; Lake Michigan, 9,288 tons; Milwaukee, 7,323 tons; Montreal, 8,644 tons; Mount Temple, 9,792 tons; Montford, 6,578 tons; Missanabie, 12,469 tons; Medora, 5,135 tons; Miniota, 4,928 tons; Pomeranian, 4,421 tons.

Through accidents at sea: Corinthian, 7,333 tons, Lake Manitoba, 9,674 tons.

The nine steamships sold to the British Government are: Montezuma, 8,360 tons; Montcalm, 5,505 tons; Montrose, 7,207 tons; Mount Royal, 7,998 tons; Mongolian, 4,838 tons; Numidian, 4,836 tons; Ruthenia, 7,208 tons; Tyrolia, 7,535 tons. The S.S. "Empress of India" was purchased by Indian princes and presented to the British Government for use as a hospital ship. Her gross tonnage is 5,934. The total tonnage lost through enemy action and other causes is 126,552, and the tonnage sold is 59,421, a grand total of 185,973 gross tons.

Ships purchased during the war were as follows: Botsford, 4,782 tons; Dunbridge, 6,650 tons; Holbrook, 6,655 tons; Monte-

zuma, 5,038 tons; Montcalm, 6,542 tons; Medora, 5,135 tons; Mattawa, 4,874 tons; Miniota, 4,928 tons; Methven, 4,852 tons; Mottisfont, 5,692 tons; War Beryl, 10,800 tons; War Peridot, 10,800 tons. Vessels built and added to the fleet during the same period were:—Missanabie, 12,469 tons; Metagama, 12,420 tons; Melita, 13,967 tons; Minnedosa, 15,000 tons.

The history of the war has produced no more romantic story than the career of the Canadian Pacific "Empress of Russia" as an Admiralty cruiser. When she left Vancouver in August, 1914, she was already marked for patrol work, and when Hong Kong was reached, her interior fittings were torn out and replaced with coal bunkers. Four 4.7 guns were mounted forward and four aft. The Chinese crew was paid off, and British naval reservists and French guncrews were shipped for the Indian Ocean. She met the cruiser "Sydney" after that ship had made a mass of tangled wreckage of the roving "Emden," and took off the prisoner members of the "Emden's" crew, including the Captain, Von Muller, and carried them to Colombo, Ceylon. She captured the Turkish post and fort of Kamaran, in the Red Sea, with the aid of Indian territorial troops and several 15-pounder guns. For twenty-three days she and her sister ship the "Empress of Asia" guarded the British port of Aden, until they were relieved by British warships. Then her gun crews made some excellent practice on the Arabian port of Salif, also on the Red Sea. A party had been sent ashore under the white flag to demand surrender. The Turks were defiant, and in effect told the "Empress of Russia" to do her worst. She did, and when she left the town and fort were in ruins.

The British and French Consuls at the port of Hodeidah had been kidnapped by the Turks and taken into the interior of Arabia. The "Empress of Russia" steamed into the harbour, and the Turks were told that Hodeidah would shortly cease to be if the Consuls were not brought back. After a wait of some days, the captured officials were brought back safely to the coast, and were taken on the "Empress of Russia," which steamed away to more adventures. The "Empress of Russia" helped the "Empress of Asia," the "Empress of Japan," the cruiser Himalaya, and the destroyer "Ribble" to maintain a blockade off the port of Manila, where fifteen German steamers were lurking during the early days of the war, hoping for a chance to get out and deliver the cargoes of supplies destined for German warships. Finally, after about a year spent in Eastern waters, the "Empress of Russia" came back into her regular service on the Pacific.

Within a few months of the outbreak of war it became evident that Great Britain was unable to manufacture by herself sufficient shells to keep pace with the immense demands for ammunition. Canada up to that time had no shell manufacturing plant; but once more the Canadian Pacific led the way, and the first shells made in Canada were turned out at the Angus Shops. The earliest intimation that such shells would be required was received on January

11th, 1915. The first press was completely assembled and tested on the 31st of that month—all the designs and patterns being made on the spot in addition to the machinery and construction. Since that date five hydraulic presses of 322 tons capacity have been built at the Angus Shops, in addition to eleven 800-ton presses for heading cartridge cases.

It was at the Canadian Pacific shops that the first large experiment was made in the "dilution" of labour, by using women, where possible, to relieve the shortage of male labour; and it was at the Angus Shops that women workers were first induced to "don the breeches"—an innovation in dress which has contributed materially to the popularity of such work among Canadian women. The engineering skill of Canadian Pacific employees was turned to good effect in other directions. Lieutenant-Colonel C. W. P. Ramsey, formerly Engineer in charge of Construction, organized and went overseas in command of a Railway Construction Corps recruited from the ranks of Canadian railwaymen, and consisting of 20 officers and 503 men of other ranks.

On the outbreak of war, Great Britain and the Allies found it necessary to purchase large supplies of foodstuffs and Army supplies in Canada, and both the British and Canadian Governments found themselves seriously handicapped, through lack of experience, in the problem of controlling and furnishing the shipping necessary to transport such Canadian produce to Europe at reasonable cost. In order to provide these Governments with the experts skilled in the highly technical work of chartering ships and handling such problems, the Canadian Pacific Railway lent the services of Mr. (now Sir) Arthur H. Harris, Special Traffic Representative, and right-hand man to the Vice-President in charge of traffic, together with thirty other picked officers of the Company, to look after such charters and transport. These were given power to control shipments for export over all lines, and owing to their able administration millions of dollars were saved by economical chartering of ships, and by a distribution and direction of traffic which eliminated the possibility of congestion and enabled the shipments to be cleared the moment they arrived at the port to which they were consigned. Following are the details of shipping cleared under the direction of Sir Arthur Harris from Canadian ports:—

1914 Transport sailings	1915 Transport sailings	1916 Transport sailings	1917 Transport sailings	1918 Transport sailings
40	132	362	737	875

Gross tonnage of material and supplies cleared between August, 1914, and December, 1918 (excluding horses and mules).

Month	1914	1915	1916	1917	1918
January	.....	28,000	124,350	178,030	339,198
February	.....	23,246	170,353	211,505	278,419
March	.....	28,703	172,917	266,750	400,323
April	.....	35,307	176,894	327,361	412,433
May	.....	40,431	164,906	444,970	335,367
June	.....	39,079	201,011	534,623	355,823
July	.....	46,411	208,010	405,766	357,375

August	12,201	58,544	220,439	457,487	438,662
September	25,000	69,891	206,194	319,837	553,211
October	30,000	70,037	169,185	264,979	672,418
November	32,500	107,370	203,700	370,687	620,311
December	40,000	98,903	185,968	209,648	*500,000
Total	139,701	645,922	2,198,927	3,991,672	5,263,540

Grand Total, 12,239,763 tons.

The amount of shipping through Canadian ports still controlled by the Canadian Director-General of the British Ministry of Shipping, has actually been larger in the first five months of 1919, during the period of demobilization, than in 1918, when the war, with its attendant operations, was supposed to be at its height. The gross tonnage of materials and supplies cleared during these five months shows a gross tonnage for the first five months of 1919 of no less than 1,804,995 tons, or nearly as much as the total tonnage for the whole year 1916. The gross tonnage of material and supplies, excluding horses and mules, cleared from Canadian ports since the beginning of the war to the end of May 1919, has reached the enormous total of 14,044,758 tons.

The system inaugurated in Canada since the outbreak of the war of controlling the shipments so as to conform to the actual shipping capacity on Canadian roads proved highly successful in spite of the enormous traffic carried. In addition to the supplies forwarded through Sir Arthur Harris, 450,000 tons of war supplies for the Russian Government in the pre-Bolshevist days were handled by the Canadian Pacific Railway under a special arrangement. The Canadian Pacific organization in the United States proved of incalculable value to the British-Canadian Recruiting Mission in its endeavour to enlist British and Canadian residents in the United States for the Allied Armies. Lieut.-Col. J. S. Dennis, who was C.P.R. Commissioner for the Department of Natural Resources and Colonization, was loaned to this Mission, and his services were largely instrumental in its remarkable success, resulting in the addition of 47,000 voluntary recruits. On the completion of the work of the British-Canadian Recruiting Mission, Lt.-Col. Dennis was loaned to the Canadian Red Cross, in connection with the Canadian Expeditionary Force to Siberia.

The great disturbance to Canadian industry caused by the outbreak of war naturally threw a large number of men out of work, and the question of unemployment became one of the most serious which Canada had to face. At such a time it would only have been naturally for the Canadian Pacific to reduce its staff; but, so far from doing this, the Company decided to find employment for 6,000 additional men in order to tide over the period of unemployment until industrial conditions should be adjusted. In selecting these 6,000 extra labourers, care was taken to see that relief was given only to those races which were fighting on the side of the Allies. Foreigners had to provide a consular certificate proving their country of origin.

So far, therefore, as the Canadian Pacific employees were con-

*Approximate.

cerned, it was not fear of unemployment that induced them to enlist. Up to the 11th November, 1918, the total number who had joined the Army was 10,187, of whom 993 paid the supreme sacrifice of their lives, and 1,952 were wounded. In recognition of this patriotic spirit, the Canadian Pacific decided to allow six months' full pay to each employee enlisting and to let it be understood that on his return to Canada such employee would be taken back into the service. The presence of so many railwaymen in the ranks has proved of great service to the efficiency of the Canadian Army, owing to the part that light railways have played on the Western Front.

The general question of locating returned soldiers' on the land has not been overlooked by the Canadian Pacific. As one of the largest land owners in Western Canada, the Company early took the lead in inaugurating a scheme of assisted settlement for men who have served with honourable record in the Canadian or Imperial Forces. Farms up to 320 acres may be selected by returned soldiers from the Company's unsold lands in the Provinces of Alberta and Saskatchewan. Such farms will be sold on terms extending over twenty years or if paid for in full by cash, a discount of 20% will be allowed. The Company will advance the settler the cost of approved building material, equipment or live-stock, and seed grain for the first year's crop up to a value not exceeding $2,000, the cost of such building material to be added to the purchase price of the land and paid off with the land instalment, the cost of the live stock equipment and seed to be repayable in five years on easy terms.

When it is found that a settler is unable to provide living expenses for himself and his family during the first five years of his occupation, financial assistance in actual cash advances not exceeding one half of the value of any approved work done by the purchaser in permanently improving his farm, will be made by the Company, such advances to be added to the purchase price of the land and repaid with the land instalments. When desired by the settler and mutually agreed to, the Company will arrange to erect suitable buildings and fences and provide domestic water supply, the cost of such improvements together with a nominal charge for administration to be also added to the purchase price. The settler will be required to pay one-twentieth of the purchase price of the land at the time of purchase. At the end of the second and third calendar years, payments of interest only on the purchase price and advances, will be required. At the end of the fourth calendar year, a further payment of one-twentieth of the purchase price together with interest will be payable. The balance will then be payable in eighteen annual instalments. Interest will be charged on deferred payments at the rate of 6% per annum, but where satisfactory evidence of occupation and improvement is produced a reduction in the rate of interest during the first four years of occupancy may be made.

In addition to the assisted settlement plan above outlined, the

Company has also developed and settled with returned soldiers one hundred farms under the colony plan. These farms were developed in three colonies in the Province of Alberta and were improved by the erection of buildings and fences, a domestic water supply, and the cultivation of forty acres, and were disposed of under terms extending over twenty years on a somewhat similar scheme to that of the assisted settlement plan above outlined. As large blocks of land suitable for the laying out of such colonies are however not now available it is probable that only a limited number of farms will be developed under the colony plan in the future.

All these wartime activities have required large resources of capital; but, owing to careful prevision, the Canadian Pacific was in an excellent financial position to care for the unprecedented calls made upon its purse. Since the war began the Company has contributed to the financial support of the Allied Nations by loans and guarantees in one form or another aggregating in amount upards of $100,000,000—probably the largest universal contribution made by any industrial enterprise in the British Empire. The following extract of an interview with Major-General E. W. Wilson, C.M.G., G.O.C. 4th Military District, appeared in the Montreal *Gazette* of Saturday, April 26th:—

"While all those engaged in the transportation of troops deserve commendation in this connection, I think special tribute should be paid to the C.P.R., which has to its credit a record of punctuality, service and efficiency in the handling of troop trains which may truly be described as amazing. It is so often the last lap in the race that counts, and the last lap provided by the C.P.R. has left a feeling of satisfaction in the minds of the men that has been of untold benefit. Take, for instance, the record of train arrivals since February 2nd, covering two months of difficult transportation weather. In spite of all the uncertainties of blizzards and snowstorms, out of 160 troop trains handled by the C.P.R. in that period, only nine did not arrive on time—and of these nine the delays were, in several cases, due to delays not on the C.P.R., but on connecting lines. Even when the trains have been delivered late to the C.P.R. at a junction point, as, for instance, the train carrying the 14th Regiment, that time has been made up so as to bring the train into the depot on the second.

"The train crews on the C.P.R. are evidently carrying out the spirit of the admirable circular issued by Vice-President A. D. Mactier, asking employees to handle trains with returning soldiers as if they were their own relatives, and giving instructions that troop trains should have he right of way and first claim on any locomotive in the case of a breakdown. That spirit runs right through the C.P.R. service—even the red caps at the depots refusing tips from the Montreal ladies serving the wives and children who come with the soldiers from the Old Country. The commissariat arrangements have been so well handled that there has not been a solitary complaint; indeed, every incoming train produces an unsolicited testi-

montial from the officers in charge as to the excellence of the food.

"Another point on which the C.P.R. deserves the thanks not only of the military, but also of the public, is the efficiency and celerity of its telegraph service, which has enabled us to keep track of every troop movement the moment a train was delivered to C.P.R. lines. Only those who have to do with troop movements realize what a relief such a service is, and the C.P.R. certainly has been perfect in its telegraphic arrangements."

The undertaking of the Company to provide employment to those who voluntarily enlisted for Overseas Service, has been lived up to; indeed many returning soldiers who were not originally in C.P.R. service have been taken on. The figures revised to the end of July are as follows:—

Total reported as joining the Army	10,394
Dead	993
Wounded	1,952
Re-employed in the service	4,305
Other soldiers given employment	4,854
Total soldiers given employment to date	9,159

NATIONAL FINANCE AND THE WAR

ANNUAL ADDRESSES AND REPORTS*

OF

THE BANK OF MONTREAL

Address by Sir H. Vincent Meredith, Bart., President of the Bank.

At a Special Meeting of the Shareholders of this Bank, held on 10th September, your permission was obtained to purchase the assets and assume the liabilities of the Bank of British North America. At that time the nature of the transaction and the terms of purchase were explained; these, I believe, are equitable as well as advantageous to both Banks. The amalgamation was completed on 12th October, 1918, but the combined balance sheet showing the new capital and rest and undivided profits cannot be prepared until after the expiration of four months from the date of taking over, as the agreement stipulated the shareholders of the Bank of British North America should have that period in which to elect whether they would accept cash or our shares in exchange for their holdings. Another matter that has engaged the attention of your Directors has been the distribution of profits. It was thought the term "bonus" was out of harmony with existing conditions. After giving the matter careful consideration, and having in view the fact that the earnings of the Bank for some years past have warranted the payment of the usual 10 per cent. dividend with an additional 2 per cent., it has been decided that the stock should be placed on a 12 per cent. basis, effective at the next dividend period.

A sum of $46,000 was donated to Patriotic and Red Cross Funds, and I know the action of your Directors in this connection has your approval. The business of the Bank has been well maintained during the year. In view of possible Government financing and the somewhat uncertain outlook at home and abroad, we have consistently set our faces against over-expansion, which is to be deprecated under existing conditions. While giving our customers all reasonable accommodation required, and taking up many new desirable accounts, we have maintained a strong liquid position, continuing a well-considered policy of the Bank; a policy which, in the past as now, has added materially to the stability as well as the credit of the Bank at home and abroad and of Canadian finance generally.

Turning to British finance, two outstanding features during the year were: First, the success of the system of continuous borrowing

*Note. For History of the Bank see Supplement of *The Canadian Annual Review* for 1910; for preceding Reports and yearly addresses see Volumes 1911-17. This annual meeting was held Dec. 3rd, 1918.

Sir Frederick Williams-Taylor, D.C.L.,
General Manager of The Bank of Montreal.

by means of the 5 per cent. National War Bonds, which were made available to investors at all times on application. This plan yielded the huge sum of £1,200,000,000 from daily subscriptions and avoided the unsettling of the money market which invariably attended the placing of great War Loans. Notwithstanding this remarkable response of the investing public, deposits held by the banks in England are actually larger than a year ago. The second feature is the amalgamation of some of the more important banks in Great Britain, resulting in a closer co-operation between the Imperial Treasury and the banks in meeting and solving the financial problems with which the country was faced. The methods adopted by the United States Government in connection with war finance are so well known that it is unnecessary for me to make reference to them here, or to dwell upon the success which has attended the loans of that country.

The overwhelming success of Canada's Victory Loan, 1918, again evidences the loyal and patriotic spirit of our people and enables the Minister of Finance to extend material assistance, should it be required, to the Imperial or Allied Governments, in the interests of Canada's trade. The oversubscription of the Loan is an index of the sound financial condition of the country and of the ability of the people to cope with whatever situation may occur.

During the year under review the foreign trade of Canada has been on a descending scale. That trade amounted to $2,082,494,000 in the ten calendar months of last year to October 31st, while this year the value is, for the same period, $1,762,785,000. The decrease has occurred principally in the value of agricultural products and manufactures exported; in the case of the former, because of a less bountiful harvest, and of the latter, because of the completion of munition orders. The figures, however, reflect a trade immensely greater in value than in the pre-war period and indicate the source of the commercial prosperity the country has had. Taking the ten months' period, there was in 1917 an excess of exports over imports of $341,000,000, and in the corresponding period this year the excess is $242,360,000, a decline of a hundred million dollars, but the balance remained large, and while the export of munitions will shortly cease, that of agricultural products should be at least maintained and probably increased in the future. In the ten months' period, imports were $870,789,000 and exports $1,211,702,000 in 1917, as against imports of $760,212,000 and exports of $1,002,572,000 in the corresponding perid this year.

Business generally has been active and profitable, as banking accounts abundantly attest, note circulation, deposits and loans being unprecedentedly large. As an adequate supply of raw materials again becomes available, it is reasonable to expect an extension of manufacturing operations, and in the necessarily small stocks in merchants' hands there is assurance of a good demand for mill products, even though the expectation of a recession in prices may prompt caution in purchasing.

The question of opening branches in foreign countries to participate in the business that may arise in connection with reconstruction requirements abroad is one that has received considerable attention from your Directors. Following the policy of many English banks, we have deemed it prudent to refrain from establishing branches at points for afield where Canadian capital would be required in local and possibly competitive industries, preferring rather to strengthen and extend our relations with foreign banking houses and to retain their good-will, thereby conserving our resources for the assistance and encouragement of home trade. In this connection, it may be well to mention that we propose presently to establish an Agency of the Bank in Paris, not for the purpose of loaning Canadian funds, but to supply necessary banking facilities to Canadians travelling abroad and to further the interests of Canada generally in France.

The harvest in Canada, while not as bountiful as we have reaped in past year, has on the whole been satisfactory. Estimates from authoritative sources place the yield of wheat from the three prairie provinces at 160,000,000 bushels, and from the whole of Canada at approximately 200,000,000 bushels, a large proportion of which is high grade. Saskatchewan, and more particularly Alberta, suffered somewhat through damage by drought and frost, but in Manitoba a full average has been reaped, with an exceptionally good barley crop. Immigration, upon which the future prosperity of this country so largely depends, has been of a somewhat negligible quantity since the outbreak of the war, although a number of experienced farmers, with cash capital, have come into the West from the United States. The total number of immigrants from foreign countries of necessity has not been large. The immigrants entering Canada during 1916-17 numbered 87,000, of whom 78,000 came from the United States. In 1917-18 the total immigration was 55,000, of whom 46,000 came from the United States. The reduction in 1917-18 is no doubt in a large measure due to the entry of the United States into the war and the subsequent draft regulations.

It is confidently expected that we shall receive a large influx from that country to our Western Provinces with the return of peace conditions, as the superior fertility of these lands is becoming more widely recognized; but I am not so sanguine in regard to settlers from Great Britain and foreign countries, where the difficulties of transportation will be an adverse factor, although probably less serious than anticipated. There is also the possibility that some restraint may be placed on intending emigrants by their home Governments for some time to come. Notwithstanding this, however, I feel Canada will attract and receive a very considerable immigration in the not distant future.

The debt of Canada after the war is likely to reach a total of possibly $1,800,000,000 and, with other capital obligations, may exceed that amount. How the interest on this vast sum is to be met is one of the most important of the many and complex after-the-war

problems we shall have to solve. Increased production will relieve us of a portion of our burden, and this, with strict economy and growing population, will in time adjust our difficulties.

Taxation cannot easily be lessened and may be increased. A levy on capital, advocated in some quarters, must only result in the stifling of individual incentive and enterprise, and the penalizing of industry, self-denial and thrift. Taxing capital to the point of unemployment in industrial enterprise would involve unemployment of labour and produce serious consequences. If placed principally on consumption, the burden of taxation is distributed. In this connection, it may be pointed out that comparison, frequently made, of our taxation with that of Great Britain ignores the incidence of customs duties, restricted in Great Britain but supplying a large part of the public revenue of Canada.

The war which has convulsed the world for over four years has now happily ended in a glorious victory for Great Britain and her Allies. During that long period of conflict, we have experienced anxieties, but we are now assured of a peace such as we have so confidently anticipated and for which our gallant men have so valorously and successfully striven. With the cessation of hostilities, the cancellation of munitions contracts has begun and the adaptation of war industries to peace conditions will doubtless bring about a check, with possible dislocation of business and displacement of labour, but these adverse factors, I believe, will prove transitory. Manufacturers who have conserved their resources during war-time prosperity and have taken advantage of this prosperity to become efficiently equipped, should be in a position promptly to adapt their organizations to peace requirements, and to take advantage of an onrush of business during the reconstruction period.

Already much preparatory work of practical value to meet post-bellum requirements has been undertaken by other countries, and with wise foresight, the organization of strong central bodies, equipped with large powers, has been encouraged, to link up the great manufacturing industries, the promotion of scientific and industrial research and the employment of a competent Intelligence Staff to seek out new markets abroad. We in Canada have embarked on a shipbuilding programme of considerable magnitude, a first important step in preparedness. If operated on business lines, as I feel sure it will be, the capital expenditure will be amply justified. The action taken by our Government in appointing a Trade Commission to provide employment for the increased tonnage that will soon be available, and to secure for Canada a full share of the large and urgent demands of the devastated countries for reconstruction and replacement purposes as well as for food stuffs, is a further step in preparedness, and is to be commended.

Owing to the financial straits of these countries in consequence of war's devastation, requisite credits to meet the unusual demands, estimated for France alone at Fcs. 50,000,000,000, must be provided. If Canada is to share in the business opportunities, and in order

that our present prosperity may be continued, the banks must stand ready to arrange liberal and probably long-term lines of credit, providing the necessary funds from their own resources, or availing themselves of the privilege of rediscount with the Dominion Government. Should these facilities prove unequal to the demands which may be made upon them, I feel sure the Minister of Finance, with the sound judgment he has displayed in financial affairs, to the advantage of the country during the war, will not hesitate to supply adequate financial assistance, in the same manner in which Imperial Government credits for purchasing in this country were established during the war. In doing so, he will be fully justified.

As the war ends, all signs point to a great demand for capital for reconstruction, refunding and replacement purposes, and interest rates, in consequence, will in all probability rule high for some time to come. A temporary shortage of all kinds of merchandise, owing to labour having been diverted from domestic to war purposes, also seems probable.

But sooner or later we in this country will, without doubt, have to meet foreign trade competition of cheap and skilled labour, together with advantageous transportation facilities, to a more pronounced extent than Canada has yet experienced. If this competition is to be effectively coped with, the increased efficiency, co-operation and co-ordination to which I have referred are essential. Our best energies must be directed to greatly increased production of our basic, agricultural and other great natural resources. In this way, and by strict economy in Government, Municipal and personal expenditures, a solution can be found of our difficulties of exchanges, the maintenance of our favourable trade balance and the payment of our war debt. Otherwise, we must look for a shrinkage in business, to be followed by a readjustment of the scale of wages for labour and of the prices of all commodities. We shall undoubtedly for some years have to pay in relatively high taxation the price of our devotion and patriotism, but I am confident this will be done uncomplainingly, in the belief that all present and prospective difficulties can and will be overcome.

Address by Sir F. Williams Taylor, LL.D., General Manager of the Bank.

Mr. Chairman and Gentlemen:—The annual balance sheet presented to-day for your approval is the fifth issued during war conditions and the first in the second century of this Bank's history. The increase in our resources, and also our responsibilities, through the purchase of the Bank of British North America, referred to by the President, is reflected in our statement. The number of our branches has been increased by seventy-nine. Also we have taken over excellent material in a staff that will serve us as loyally and efficiently as they did the fine old institution whose honourable career of more than eighty years is now ended. As we all know, bankers throughout the world have had to cope with abnormal conditions since the outbreak

of war. This statement applies fully to Canada. During the year under review Canadian banks have encountered their share of problems. We have become accustomed to problems. In consequence, we have faced difficulties of unusual character with increasing equanimity. It is well to have reached this stage; otherwise the strain would have been unsettling.

The ease with which financial Canada has met the stress of war conditions has been favourably commented upon abroad. At home one hears no expression of surprise at the stable financial conditions in the Dominion. The real basis of that stability is a banking system that has proved most efficient in peace times and, with the facilities accorded by the Minister of Finance, has withstood the severe test of war times. The system as it stands is without doubt adequate to meet any possible demands arising during the reconstruction period and for years thereafter. The public, long accustomed to banking stability, now accept it as a matter of course. The strong liquid position of your own Bank has been an important factor in the situation.

It is quite possible that the economic and financial problems of the next few years will be more difficult to surmount than those we have faced of late. The anticipated disturbance in bank deposits resulting from domestic Government war loans has subsided, as was to be expected. Seeing that the proceeds of such loans remain in the country, the money, of necessity, finds its ultimate way back to the banks through one channel or another; and therefore the loanable capital of the banks is, in the long run, undiminished. On the other hand, the strength of a banker's position lies largely in his command of numerous small deposits. The volume of deposits has increased by many millions, but the number has not grown proportionately. Our own deposits are now $469,727,811.96 as compared with $330,795,390.72 a year ago. This sum includes $58,950,000 Bank of British North America money. As usual, we have certain large deposits of special character. The increase in our savings deposits is reasonably satisfactory.

As regards profits, an impression exists that these war years have been unusually fruitful for the banks. The reply is that when adequate provision has been made for unknown future rates of taxation in Canada and elsewhere, for the increased cost of administration, for heavy depreciation in even the most gilt-edged securities, it may be stated without reservation that the net results are none too ample for safety. I would emphasize another point, viz., that while the cost of everything else has risen, the public have paid no higher rate of interest for banking accommodation than before the war. So far as this Bank is concerned, the dividend has been comfortably earned, and, as usual, we have made proper allowance for depreciation and for business hazards.

Now that the war is won, the foremost thought in every serious Canadian mind to-day is directed towards the future. Every business in the country, large and small, from our great railways to the

small shops, is concerned and involved. As the business of our banks is with the whole community, we are specially and vitally interested. War prices have brought great prosperity to land and water transportation companies, to merchants, to manufacturers, to farmers, and to the labouring class. Only the salaried class and those whose incomes are fixed have suffered. Not only are prices of all commodities unprecedentedly high with a liberal margin of profit, but the demand for the staples of life and many luxuries is unlimited.

Two contingencies in which we are vitally concerned are the respective rates of speed with which prices and demand will decline. It is not for me to assume the role of a prophet, but I can at least go the length of stating that the policy of this Bank has been and is to conduct its business on the probability that both may decline rapidly, that values are certain to fall away presently, and that there may at the same time be a diminution in demand. Either of these conditions would be serious. A combination of the two would be disastrous to unprepared merchants and manufacturers carrying heavy stocks. Our great industrial companies are practically all in an immensely stronger financial position than before the war. In some cases the improvement seems almost magical. In general terms, my belief is that the trading and manufacturing community of Canada is prepared for the slump as it comes. Meanwhile, public pronouncements are made by those who have given the subject special study that food prices, particularly for meat, will remain extremely high for many months to come.

After passing through the inevitable period of economic confusion which all countries must endure, that country of boundless wealth and virility, the United States, the only great power, by the way, to emerge from the war better off financially, may probably enter upon an era of unprecedented expansion and development. Canada must share in such prosperity independently of the part we hope to take in supplying Europe's reconstruction and regular demands. Meanwhile, there never was a time when our country was more in need of sound economic thinking and sane financial policy.

The Bank's current loans in Canada are now $146,028,861.28, an increase of $48,421,456.30 during the year. Bank of British North America business accounts for $30,900,000 of the increase. Our loans to municipalities are $15,598,069.21 as compared with $11,415,383.61 a year ago. Practically the whole of this is advanced against taxes and none on capital account. With the appropriations set aside for possible losses, we believe at present these current loans worth par. From long experience we also know that the ability to collect eventually one hundred per cent. of this great mass of commercial paper depends on the economic course of events in Canada. That is another reason why banks should make reasonable provision for undisclosed losses, losses that will accrue in the future as surely as they have in the past.

During the war, this Bank has done its full share in financing

the Dominion Government, also Imperial Government purchases of wheat, flour, etc., in Canada. The banks of Canada as a whole have out on loan to the merchants, manufacturers and private individuals of this country, secured and unsecured, on business paper and by way of accommodation $1,003,593,000. This great sum represents the extent to which the banks may be described as financing Canada's domestic and foreign trade. The amount is apart from $73,685,136 loaned by the banks on call to brokers.

With the acquisition of the Bank of British North America we are now the custodians of $558,413,546.12, of which $34,468,283.72 belongs to you as shareholders and $523,945,262.40 is entrusted to our care by the public. It is worthy of note that this Bank's total assets are now as great as we were the combined total assets of all the Canadian Chartered Banks seventeen years ago. Thirty-four banks were in operation then as compared with nineteen at this date. You may be confident that we have a proper appreciation of the responsibility involved in using this great sum of money. We keep ever before us our duty to our depositors and to the shareholders. At the same time the Bank has a further duty, national in nature, in financing established business and in fostering the young industries of the Dominion; in loaning capital for all legitimate eterprise from the small farmer and live-stock breeder to the great packing and milling industries; from the small trader to the great merchant and manufacturer. Governments, cities, railways and public bodies look to us for temporary financial aid. For these various purposes our power is greater than ever before, and the Bank has never been in a stronger, more elastic position.

There have been fewer commercial failures in Canada than for many years. The number in 1918 was 905, as compared with 1,172 in 1917 and 1,669 in 1913.

Our note circulation has risen to the great height of $42,082,-209.08, or $12,774,123 more than last year. Present figures naturally include Bank of British North America circulation. The total bank circulation in Canada for the same periods were $227,597,808 and $189,852,907 respectively. We look for a rapid post bellum reduction from the abnormal heights caused by high prices and business activity largely of a war nature.

Our New York and London offices have been invaluable channels for international transactions during the war.

In London, the important banking events of the year have been a series of bank amalgamations regarded by those competent to judge as wise preparation for foreign trade competition after the war.

The final judgment favourable to your Bank in the Banbury Case, given by the House of Lords in London last June, was a source of gratification to us and to banks generally, as the principle of good faith involved has been vindicated.

The price of money and rate of discount in London have both been under control during the year, the former at 3¼% and the latter at about 3⅜%.

The volume of Canadian loans representing fresh money floated in either London or New York during the last twelve months has been relatively small. Certain maturing loans have, however, been refunded successfully at both centres. The excellent reception which such loans have met in London is significant. With one minor exception, all interest payments on Canadian public loans domiciled in London and New York have been met at maturity.

In New York, the value of call money in 1918 averaged 5.11% as compared with 3.24% the previous year.

We learn with pleasure that our Waterloo Place and Trafalgar Square offices in London have proved increasingly useful to Canadian soldiers, their relatives and friends.

The Dominion has been penalized during the past year by a heavy premium on New York funds. This new condition is a matter of widespread interest. All Allied countries have been at a similar disadvantage in their dealings with the United States during war conditions. Our dollar is worth at present only ninety-eight and a half cents in the United States. In other words, it costs one dollar and fifty cents to send one hundred dollars across the line. The one and a half per cent. in question is lost to us. Canada receives no counter-value. In simple language, the obvious explanation is that more money is going out of than coming into the Dominion. The prime factors are our imports, our exports, and our interest payments. Our exports in fact exceed our imports, but Great Britain, by arrangement, has not been paying in cash for munitions manufactured here on Imperial Government account. On the other hand, it is pertinent to mention that Canada is not paying in cash the cost of maintaining our overseas forces.

In theory, there are four ways in which this onerous penalty can be removed; by increased exports; by reduced imports; by paying in gold; or, by borrowing in outside markets. None of these remedies is at hand, but with the return of peace Canada should at least be able to float public loans in New York. Then also we can hope for better things so far as imports and exports are concerned. Also there is on balance a large amount owing our Government by the Imperial Government and $200,000,000 is owing the Banks of Canada by the Imperial Government, representing wheat and munition purchases. In due course these combined amounts will aid the exchange situation. The premium in question should, therefore, diminish sooner or later to a point that will be immaterial. Meantime it discourages the importation of non-essentials from the United States, and the investment of Canadian funds in American and foreign securities.

In conclusion, it will bear repeating that Canada possesses all the attributes of a great nation, excepting population. The crying necessity of the hour is for increased production. This cannot be fully achieved without immigration. We have room and opportunity for many millions of farmers and for a good class of labour to develop our mineral wealth and our fisheries and to convert our

great forests into lumber and into pulp and paper. One sure way of attracting such immigration is to make living in Canada cheap. To attain this object there must be an end to the public and private extravagance of the past.

Provincial Reports by Superintendents of the Bank submitted by General Manager.

Quebec. Hay and root crops were fairly good, potatoes being again damaged by rot. Cereals were about average, pasturage was good. The cut of lumber during the past season was smaller than usual. Scarcity of tonnage has restricted shipments to the English markets and a large part of the cut will have to be wintered in Canada. The American lumber market has been dull, but the demand for pulpwood from the United States continued steady throughout the year with very high prices and good shipments considering the transportation difficulties. The paper mills of the Province have been working to capacity throughout the year, and the demand for newsprint and the better qualities of print papers continues strong, the chief obstacle to business being the ever increasing freight rates and the difficulty in obtaining cargo space.

With the exception of asbestos, there is little mining done in the Province. Asbestos prices are good, and sales and shipments about the same as last year's figures. Manufacturers report another successful year in so far as output is concerned, although they have been handicapped by scarcity of skilled labour, high cost of materials and difficulties in transportation. The fur business has been good. Boots and shoe sales are expected to about equal last year's figures in value and quantity. Shipbuilding has been actively engaged in, nearly 125,000 ocean and inland tonnage having been launched during the year.

Collections were never better, and failures show a reduction. During the year the Dominion Government spent a certain amount on the drydock at Levis, on the completion of the Quebec Bridge and on the Quebec and Saguenay Railway; while the Provincial Government has expended a moderate sum on roads. Municipal expenditure has been kept within bounds. Speculation in real estate has been practically eliminated. Values are fairly well maintained. Rentals are high. General conditions, both in cities and rural districts, are good, although the high cost of commodities seriously affects those who are dependent on a fixed income.

Ontario. The farmers enjoyed a very satisfactory year, crops were abundant and prices obtained exceptionally high. Fall wheat was winter-killed, but all other crops gave good results. Owing largely to shortage of labour, lumber production was less than in the two preceding years. Stocks carried over will be small and lumbermen generally are optimistic as a strong demand for all classes of lumber is anticipated for next year. Wood operations this winter will be curtailed through lack of necessary labour. The pulp situa-

tion is generally satisfactory with much higher prices prevailing for the sulphite output. Paper production was about equal to last year.

Mining has been active; nickel production greater than ever; silver falling off in quantity, but realizing high prices; low grade gold mines produced at about last year's level. Manufacturing activities have been limited only by scarcity of labour and of raw materials. Both wholesalers and retailers report it easy to sell goods, but difficult to purchase. All Government and Municipal expenditures have been kept within the limit of absolute necessities. Population still shows a tendency to drift to cities and manufacturing centres. Real estate values have shown no marked improvement. Rentals have been increased in cities and in larger towns. Prosperity is general throughout the Province. Business people, anticipating peace conditions, have been proceeding with caution and are materially and mentally prepared for the readjustment period.

Maritime Provinces. There was an average crop of hay and cereals. Root crops were large, potatoes being one-third greater than last year's returns. Fruit was light but of good quality. The lumber cut was less than last year. About the only markets open here have been the United States and South America, and stocks will have to be wintered to a considerable extent, the English market being practically closed. Wages and cost of provisions are high and labour is scarce, all of which will probably result in lumbering operations generally being curtailed. The output of coal was below last year's figures, owing to scarcity of labour. Steel plants have been working to capacity. The new plate mill now under construction at Sydney will be an acquisition of great importance commercially to the whole Dominion.

The past fishing season has been good despite certain losses to the fleet through submarines. A shortage in the catch was offset by an active demand and higher prices. Ocean transportation was procured with difficulty, but the American and West Indian markets have taken increased quantities. Owing to the excellent prices received for farm products and fish, and the high wage scale, both wholesale and retail trade have been good. Dominion Government work on Ocean Terminals at Halifax proceeds, but both Provincial and Municipal expenditures have been small. A large amount is being expended in rebuilding Halifax. Owing to the great demand for shipping, a good many small wooden vessels have been built in Nova Scotia and New Brunswick during the year and the future of this old industry is most promising. A steel shipbuilding plant is being constructed at Halifax. To sum up, the crops were average, prices were good; and this, together with the high figures obtained for fish, lumber and pulpwood, has resulted in continued prosperous conditions throughout the Maritime Provinces.

Prairie Provinces. The yield of wheat, while substantial, has fallen somewhat short of expectations founded on the increase in

acreage under crop. Fortunately, a large proportion is high grade, making up in no small measure for the deficiency in quantity. Manitoba has done well on the whole; the barley crop is exceptionally large. In Saskatchewan fairly good results have been obtained. In Alberta the damage from drought and frost has been relatively more severe than in the other two provinces. A conservative valuation of the grain produced places the total for the year at $500,000,000. The live stock industry has prospered under increased demand. Sheep raisers continue to benefit through the maintained high price for wool.

Mixed farming, encouraged by the Government with the assistance of the Banks, is becoming more general. Mineral development is confined almost entirely to coal, and production has been much stimulated by the reduced import of anthracite. It is estimated there are 4,000,000 tons of anthracite, 44,500,000,000 tons of bituminous and 60,000,000,000 tons of lignite coal in Alberta alone. Western coals are now more widely used but there is as yet little development. Both wholesale and retail trade have been active and good. Failures show a steady downward tendency in number and the amounts involved. Manufacturers have made progress in the face of great and unusual difficulties. Flour mills and other food-producing plants have been continuously employed.

There has been practically no railroad construction during the past year, and Dominion, Provincial and Municipal authorities, as well as private individuals, have wisely refrained from capital account expenditures. Immigration, while not large, has been valuable. Experienced farmers, with capital, have come into the West from the United States. Transactions in urban realty continue unimportant, but housing accommodation is scarce and rentals continue high. Speculative buying has disappeared. Farm lands are in demand; sales have been numerous and large, at increased prices. The rapid growth of the financial power of the central provinces is strikingly illustrated by the large per capita subscription to the Victory Loan of last year and this. The post bellum period of adjustment will present many difficulties, but peoples of the Prairie Provinces, who depend largely on the production of food stuffs, should be in a position to withstand the effects of possible commercial reaction.

British Columbia. There is general prosperity throughout British Columbia with pronounced activity in shipbuilding, lumbering, mining and fishing. Field crops were harvested in good condition and growers are well satisfied both as to yield and prices. The fruit crop was somewhat lighter, but well sold. Stock raisers had an exceptionally good year. Lumber production has reached a new high record. Spruce for aeroplanes and heavy timbers for shipbuilding created an additional outlet. Prairie markets have been quiet and export trade still continues dormant owing to lack of tonnage. The pulp and paper industry still expands.

Shipbuilding is now a very important industry on the Canadian Pacific Coast. Steel and wooden ships built in British Columbia are actively engaged in moving the world's commerce, new ships are being built, shipyards have contracts ahead for some time to come. A large body of men is continuously employed, and the large amount of cash put into circulation has a stimulating effect upon every class of business. Metalliferous mining has been vigorously prosecuted with generally satisfactory results. Properties idle for years have changed hands and are now being worked on a business and paying basis. Coal mining, although hampered by labour difficulties, will show an increased output over last year.

The total fish production in British Columbia will be the largest recorded. The salmon pack will be equal to the record pack of last year. The Government commandeered practically all of the better grades and placed an embargo on shipments. Prices have not yet been finally fixed, but a reasonably profitable season is assured. The halibut fishery has been profitable to both fisherman and shipper. Notwithstanding the increased fishery, the demand for export outruns the supply. The wholesale trade is good; retail trade active. Cash is abundant. Municipal affairs continue to be economically administered, and Government and Municipal expenditures are kept within the limit of actual necessities. The Coast cities have been attracting population from the interior, and people have been coming in from outside the Province to participate in the high wages paid in shipbuilding and allied industries. There is an improved tone in regard to real estate, but little property changing hands.

The following gentlemen were re-elected Directors of the Bank: D. Forbes Angus, R. B. Angus, J. H. Ashdown, H. W. Beauclerk, Colonel Henry Cockshutt, H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E., C. R. Hosmer, Harold Kennedy, Wm. McMaster, Sir Vincent Meredith, Bart., Major Herbert Molson, M.C., Lord Shaughnessy, K.C.V.O. At a subsequent meeting of the Directors, Sir Vincent Meredith, Bart., was re-elected President, and Sir Charles Gordon, G.B.E., was re-elected Vice-President.

ANNUAL REPORT

FOR YEAR ENDING OCT. 31, 1918

Balance of Profit and Loss Account, 31st October, 1917		$1,664,893.08
Profits for the year ended 31st October, 1918, after deducting charges of management, and making full provision for all bad and doubtful debts		2,562,720.14
		$4,227,613.22
Quarterly Dividend 2½ %, paid 1st March, 1918....	$400,000.00	
Quarterly Dividend 2½ %, paid 1st June, 1918	400,000.00	
Bonus 1%, paid 1st June, 1918	160,000.00	
Quarterly Dividend 2½ %, paid 1st September, 1918	400,000.00	
Quarterly Dividend 2½ %, payable 1st Dec., 1918	400,000.00	
Bonus, 1%, payable 1st December, 1918	160,000.00	
	$1,920,000.00	
War Tax on Bank Note Circulation to 31st Oct., 1918	160,000.00	
Subscriptions to Patriotic Funds	46,000.00	
Reservation for Bank Premises	200,000.00	
		$2,326,000.00
Balance of Profit and Loss carried forward		$1,901,613.22

GENERAL STATEMENT

FOR YEAR ENDING OCT. 31, 1918

LIABILITIES.

Capital Stock			$ 16,000,000.00
Rest		$16,000,000.00	
Balance of Profits carried forward		1,901,618.22	
		$17,901,618.22	
Unclaimed Dividends		6,670.50	
Quarterly Dividend, payable 1st December, 1918	$400,000.00		
Bonus of 1%, payable 1st December, 1918	160,000.00		
		560,000.00	
			18,468,283.72
			$ 34,468,283.72
Notes of the Bank in Circulation		$42,082,209.08	
Deposits not bearing interest		124,175,047.41	
Deposits bearing interest, including interest accrued to date of statement		345,552,764.55	
Deposits made by and Balances due to other Banks in Canada		4,315,348.92	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		3,086,740.51	
Bills Payable		311,894.45	
			519,524,004.92
Acceptances under Letters of Credit			3,674,865.17
Liabilities not included in the foregoing			746,392.31
			$558,413,546.12

ASSETS.

Gold and Silver coin current		$25,492,841.03	
Dominion notes		68,531,256.00	
Deposit in the Central Gold Reserves		27,700,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	$14,703,461.29		
Call and Short (not exceeding thirty days) Loans in Great Britain and United States	97,029,549.19		
Call and Short (not exceeding thirty days) Loans in Canada	2,371,387.74		
		114,104,398.22	
Dominion and Provincial Government Securities not exceeding market value		46,870,586.00	
Railway and other Bonds, Debentures and Stocks not exceeding market value		11,375,199.29	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian		52,085,885.19	
Notes of other Banks		2,767,397.00	
Cheques on other Banks		21,424,138.77	
			$370,351,651.50
Current Loans and Discounts in Canada (less rebate of interest)		$146,028,861.28	
Loans to Cities, Towns, Municipalities and School Districts		15,598,069.21	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		14,649,836.95	
Overdue debts, estimated loss provided for		855,445.15	
			177,132,212.59
Bank Premises at not more than cost (less amounts written off)			6,000,000.00
Liabilities of Customers under Letters of Credit (as per Contra)			3,674,865.17
Deposit with the Minister for the purposes of the Circulation Fund			1,038,166.60
Other Assets not included in the foregoing			216,650.26
			$558,413,546.12

VINCENT MEREDITH,
President.

FREDERICK WILLIAMS TAYLOR,
General Manager.

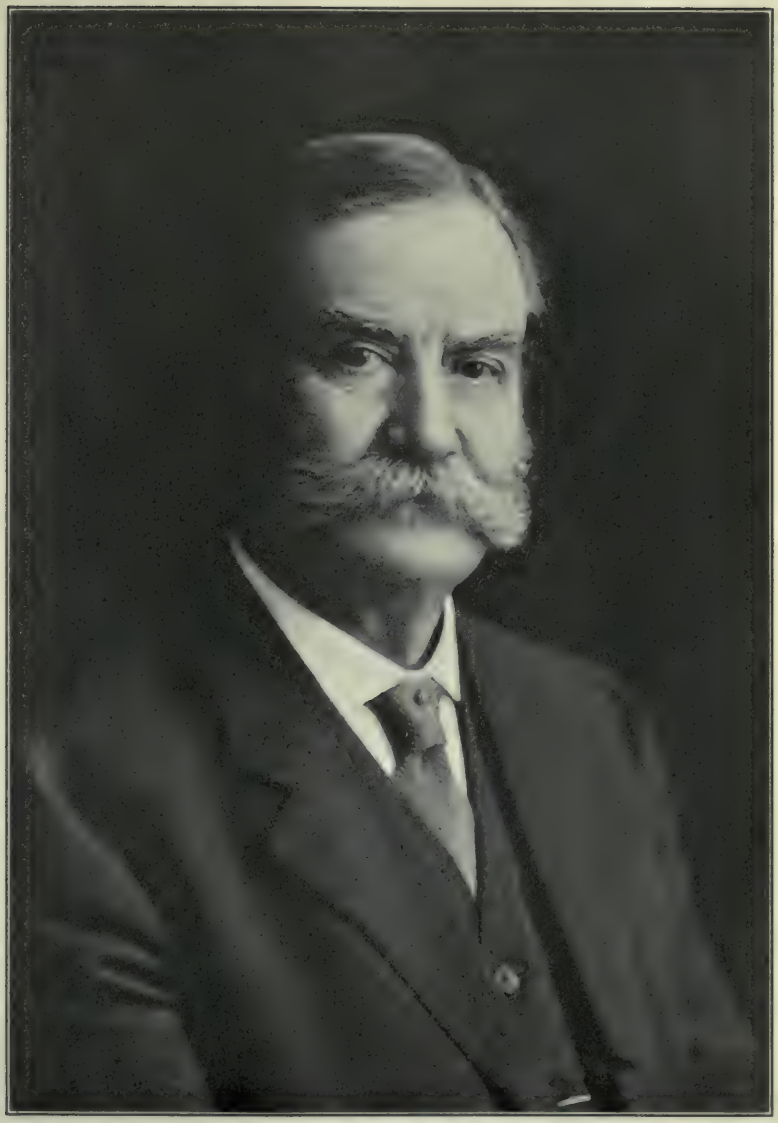
THE FINANCIAL STATE OF CANADA

IMPORTANT ADDRESSES AND REPORTS*
OF
THE CANADIAN BANK OF COMMERCE

Address by Sir John Aird, General Manager of the Bank.

For the first time since January, 1914, we meet without the sinister shadow of the great war upon us. Difficult as is the outlook before many of the warring nations and perplexing as are the problems for which a solution has to be found before a satisfactory peace can be concluded, hostilities have ceased and cannot be renewed on the same colossal scale. We rejoice that the sacrifice of life has come to an end and that those members of our staff at the front who have survived the conflict, and others who are near and dear to many of us, can now look forward with assurance to the welcome that awaits them at their home-coming. The past year has been pleasurably marked by the jubilees of both our President and Vice-President in their respective callings. On July 24th our honoured President, Sir Edmund Walker, celebrated the fiftieth anniversary of the day on which he entered the service of this Bank, and the occasion was marked by a dinner tendered to him by the Board of Directors. An account of this has been printed and copies of the pamphlet are available for any of you who may desire them. The addresses of the evening, and the extracts from the many letters and telegrams of congratulation which came from all over the country upon the happy event becoming known, tell more eloquently than any words of mine could do, the esteem in which he is held by all classes of the community. The day was further commemorated by our making it the occasion upon which the five- and ten-dollar notes of the new issue of this Bank, to which I referred at the last annual meeting, were first paid out. The artistic quality of the designs of these notes, for which Sir Edmund is personally responsible, and his well-known interest in matters of art, seemed to make this a fitting compliment to him. Just a few weeks earlier, on May 19th, Mr. Z. A. Lash, our esteemed Vice-President, and trusted legal adviser during so many years, had celebrated the fiftieth anniversary of his call to the Bar of Ontario. The close coincidence of these two events, so unusual in themselves, with the fiftieth anniversary of the Bank itself and with the consummation of our long-deferred wish to see the rest equal to the paid-up capital, was very remarkable; and being followed so closely by the close

*Note.—For the history of this Bank see *The Canadian Annual Review Supplement* for 1910 and succeeding volumes for yearly Addresses and Reports. This annual meeting was held at Toronto on 14th Jan., 1919.



Z. A. LASH, K.C., LL.D.,
Vice-President of the Canadian Bank of Commerce, 1918.

of the great war, make the past year a very notable one in the history of the institution.

We have, therefore, many reasons for a feeling of jubilation on this occasion and this is added to by the excellence of the statement which we have pleasure in presenting to you. The earnings of the Bank have been good, and the profits have again reached a new high level, amounting to $2,850,000, or $212,000 more than a year ago. We confess to a feeling of pride that we have been able to maintain the premier place among Canadian banks in this, to you, important item. Notwithstanding the apparent size of the figures, however, it must not be forgotten that the rate of earnings of this Bank, as of Canadian banks in general, is steadily decreasing, when measured by the services rendered and the extent of the effort put forth by our staff. On the average of our total assets during the year we have earned only seven-tenths of one per cent. as compared with 1.27 per cent. in 1913, the last year prior to the war, and 1.37 per cent. ten years ago. The main causes of this, as I have pointed out in previous years, are, on the one hand, the enormous increase in the volume of those banking services which are performed for the public without remuneration, and the fact that banking is one one of the few businesses in which charges are sometimes lowered but seldom increased, in spite of the general increase in the cost of everything else; and on the other, the increases in salaries and wages which are inevitable to enable our men to meet the great increase in the cost of living. It must not be forgotten that salaries and wages constitute the most formidable item of expense in the budget of a bank, and it will readily be understood that the responsibilities and the difficulties of dealing fairly with the members of our staff, in view of the high level of the cost of living, are not small.

An unusual item in our Profit and Loss account this year, which affords us much gratification, is the recovery of the appropriation of $1,000,000 set aside in the year 1915 to provide for the depreciation of securities. We then expressed the hope of saving this, or at least a part of it, at the end of the war, and it is a source of satisfaction to find our prediction fulfilled.

On the other side of the account, our disbursements in the way of dividends and bonuses to shareholders, and the amounts required to pay the special war tax on bank-note circulation and for the officers' Pension Fund, are the same as a year ago. Subscriptions to various funds of a patriotic nature, almost all of them the direct outcome of the war, have called for $102,550. We have set aside $100,000 to defray the cost of a memorial we propose to raise in honour of the officers of the Bank who served in the great war, and for the cost of the history of the Bank to which I referred a year ago. The form of the memorial is not yet decided, but it will probably take shape when we come to erect a new building on our site here, an undertaking which cannot long be delayed if the natural development of the business of the Bank is not to be hindered by cramped and unsuitable quarters. After doing all this we have been able to transfer $1,500,000 to Rest account, which thus

becomes equal to the paid-up capital, a goal which we have aimed to reach for many a day, but which has called for long years of tireless striving before we could consider it as fairly won. We might perhaps have made a better showing on the surface and have seemed to reach our goal in a shorter period of time, but our wish has been to build surely and carefully upon a firm foundation, and in the meantime to provide beyond peradventure for every weak spot in our loans and securities. We carry forward into the new financial year an undivided balance of profits amounting to $1,444,842, or $112,000 more than a year ago.

Once again the Minister of Finance and the organization which controlled the Victory Loan campaigns have won an outstanding success. The Victory Loan of 1918 was largely over-subscribed, and without the use of any compulsion save the mere breath of public opinion, the Government has been provided with more than the sum which it required. Yet, as I pointed out last year, the lesson in how to save, so strongly impressed upon the community by these campaigns, is their great result from the national point of view. Who may venture to predict what the knowledge thus acquired of how to invest savings wisely may mean to Canada in the years to come; Except for the increase in the productive capacity of the country, this is perhaps the greatest material benefit derived from the war. Alongside it the loss of a few millions of deposits to individual banks is a very small matter, which, if the lesson is thoroughly learnt, will require only a short period of time to remedy itself.

Our efforts to assist the Minister of Finance in obtaining subscriptions to the Loan have resulted in our securing through this Bank the large sum of $104,543,000, represented by 150,773 individual subscriptions. This amount included $100,000,000 of new money and represents 15 per cent. of the total. It is gratifying to know that we have far exceeded the proportion which might be reasonably expected from us. This result has not been obtained without very strenuous efforts on the part of our staff, and also the expenditure of a large amount of money by the Bank. Unfortunately the heavy task came upon our staff just at the moment when their ranks were depleted by the ravages of influenza. In connection with this, as well as previous loans, we shall also be required to perform for the Government special services, such as the payment of coupons and interest during the term of the loans, the last of which does not mature until the year 1937. The Canadian banks were also called upon during the year to assist in the Dominion Government financing to a large amount, and we assumed our full share of these advances. In addition we participated in a loan of $100,000,000 to the Imperial Government against Treasury Bills and renewed the advances made against similar security to the Imperial Munitions Board.

Acceptances under Letters of Credit, offset in our balance sheet by the corresponding liability of our customers which appears among the assets, show a large increase, represented by advances in

Canada and the United States, secured in nearly every case by food supplies purchased for account of the Allies. Cash on hand, consisting of gold and silver coin and Dominion notes amounts to $61,971,000, as compared with $54,652,000 a year ago, an increase of $7,319,000. Of this we had $17,500,000 in the Central Gold Reserves, to provide cover for our excess note circulation. Our total holdings of gold and silver coin—principally gold, but including the necessary silver for the tills of the branches—are slightly lower than a year ago. We hold, however, a much larger amount in Canada, in the carrying out of the views I expressed last year in referring to this subject. This was not accomplished without difficulty, owing to the embargo placed on exports of gold by the United States Government and to the demands of that Government; and the effort to increase our holdings has been further hampered by the decline in the output of the Canadian mines caused by the present high cost of production. It is gratifying to find a substantial agreement with our views on this subject in the report of the Imperial "Committee on Currency and Foreign Exchanges after the War," of which Lord Cunliffe, Governor of the Bank of England, was Chairman. In its first interim report this committee has emphasized the imperative need that the gold standard should be effectively maintained in Great Britain, and that the necessary measures to this end should be taken without delay. Similar measures are being urged in the United States by a not uninfluential section of the press, and it is disquieting to hear a discordant note sounded in certain influential financial circles in this country. We think that the Government could well afford to pay a small royalty to encourage an increase in the production of the gold mines of Canada. The conditions of the last two years have very adversely affected the mining of gold, especially as compared with silver, and in the interests of the country we believe that the Government should seriously consider some plan for placing this industry on a profitable footing.

A year ago I urged the importance to Canada of stimulating the production and export of food, the need of organization for the purpose, and the attractiveness of the outlook for this branch of commerce. The ending of the war has in no wise dimmed the prospect. The last number of the Agricultural Gazette, the official publication of the Dominion Department of Agriculture, contains an appeal from the Dominion Government along similar lines, and particularly emphasizes the bright prospects of the meat export trade. Speaking of the outlook before this country now that the war has ended, the Minister of Finance, Sir Thomas White, writes: "There would seem no reason to apprehend any failure of markets for all the food that Canada can produce. Our grain, live stock, and their products, with those of our fisheries, should all be in keen demand at high prices. . . . Increase in our agricultural production will not only help to furnish food for a hungry Europe, but will be a chief factor in maintaining our favourable international trade balance as well." All countries are seeking to increase

their export trade; all are hoping to be sellers and to limit their purchases. Under such conditions the successful ones will be those which have special natural advantages for a certain line of production and which can find a market for the same line of goods. Is there any country better fitted than Canada for the production of food, or any branch of commerce in which an ample market is more assured!

Any number of plans are afloat for the carrying on of large public works after the war. These are advocated on all sides in the hope that the era of free spending may tide over that of falling prices. Few of the promoters, however, appear to have considered where the money is to come from. By all means let a wise and statesmanlike view of the matter prevail, and all public works be undertaken which are in the best interests of the community, having regard to all aspects of the question. But let it not be forgotten that such works have to be paid for sooner or later out of the taxes, and the hope of every citizen at the present moment, I may safely say, is to see his tax bills reduced rather than largely increased. Even public borrowing cannot indefinitely postpone the evil day of payment. Some of our municipalities are already hampered by the load of debt incurred in former eras of prosperity, and no one would advocate any considerable increase at this time in the national debt of the Dominion. The safe course is wisely set out in the Cunliffe report to which I have already referred. After speaking of the pressure that is sure to be brought to bear upon the state for capital expenditure in many forms for reconstruction purposes, it points out that all money expended on reconstruction work should come out of savings and not be obtained by the creation of new credit. The burden of prevailing high interest rates in the case of such works has also to be considered, and although the outlook as to the value of money after the war is uncertain, it seems probable that current rates in England are held below the natural level at present by war-time regulations, and that when these restrictions are removed, rates may tend upward rather than downward. It is clear that the importance of saving and economy in personal expenditures as a public duty will not be lessened by the ending of the war, but, if possible, increased.

The task of dealing with the trade problems of Canada has already been taken up in earnest by a number of associations, and some good preparatory work has been done. Attention is also being devoted in various quarters to scientific research into the problems of business and manufacturing, which proved such a valuable feature of the German methods. The value of co-operation among exporters in the development of export trade has been recognized by law in the United States, and it is in the field of foreign trade that banking credit has also a part to play. Is not this one direction in which we have an advantage over the United States, through the existence of banking institutions experienced in the granting of the necessary credit, whereas much of the machinery for this purpose in the United States has been called into existence solely for

the occasion, and is forced to work along unfamiliar lines? On the other hand, we must not forget the energy with which our neighbours carry out any task they undertake, lest we should ultimately discover that the new broom has swept the field bare. It is interesting to note in this connection that the London Statist is of the opinion that after the war Canada will prove more attractive to emigrants than the United States, and that thus the drain upon the man-power of this country made by the war will be more than remedied.

As to the future, we feel that we can look forward with quiet confidence. The multifarious restrictions which have necessarily been placed on business during the war will doubtless disappear before long, and they should be removed by the Government as speedily as possible. This will aid in lessening unemployment at home, and enable our exporters to resume their operations in other countries before the field is occupied. Attention should also be given to the prompt settlement of all outstanding contracts and obligations of the Government, and to the claims arising out of the cancellation of contracts. These are sometimes allowed to drag, causing great injustice to individuals and corporations, and preventing them from resuming their accustomed place in the peace activities of the nation. By prompt attention to such matters the Government can assist materially in the restoration of a normal state of affairs in the business world. We have been fortunate in this country in that our participation in the war has not involved material damage at home. Our efforts have entailed no exhaustion on our part, and while the problems before us are many and difficult, we believe that a satisfactory solution will be found for all of them.

Address by Sir Edmund Walker, C.V.O., D.C.L., L.L.D., President of the Bank

The war is over and we are struggling with the terms which we intend to impose on Germany. One turn of the kaleidoscope has changed the aspect of almost everything in our daily life and in our mental horizon. Only yesterday we were bending every faculty as a nation and as individuals to the thousand different kinds of effort necessary to win the war. We had completely disrupted the co-operation of individuals in the various pursuits of life which are necessary to the happiness of society in times of peace, and men and women were drawn either into military and munition work, or into the production of food, almost to the limit of our powers. Now the work in munition factories has stopped, our armies will return, and from 500,000 to 600,000 men and women, an enormous proportion of our small population, will have to find new kinds of employment. The enlistment of soldiers, and the withdrawal of others from peaceful occupations to the making of munitions, took four years to reach a climax, but the reverse process comes upon us in an instant. We shall in the end have work for all, but much that could have been started at once in spring or summer is impossible in winter. The

troops will come home gradually, and as six months' pay is to be given to some of them, and smaller allowances to others, our anxiety regarding them is partly removed. The munition workers, however, cannot be shifted to new employment fast enough to prevent there being a considerable number out of work during this winter.

In order to appreciate the scale of industrial events we turn as usual to the figures of our foreign trade. Disregarding coin and bullion, which have fallen to inconsiderable figures, the excess of exports, for the fiscal year ending 31st March, amounted to $623,647,000. The excess for the two previous years, large as it was when compared with the past, was $563,795,000, or considerably less than for the one year under consideration. Our total foreign trade was $2,548,691,000, as against a total of $1,129,616,000 in the year ending 31st March, 1914, but we had passed the crest of the wave before the war ended. The year ending in September, 1918, consisting of the halves of two fiscal years, shows a smaller volume of trade and surplus exports of $504,242,000. Now that the war is over, we shall study with intense interest the figures of our foreign trade in the immediate future.

The decline in foreign trade for the year ending in September was partly due to smaller exports of manufactures, but mainly to smaller exports of wheat. The enormous surplus of $623,647,000 during the fiscal year ending in March was due to an increase in exports of $406,958,000, while imports increased only $98,017,000. The increase in pastoral and agricultural products was $241,442,000, and in manufactures $173,527,000. This would seem to be very satisfactory indeed, were it not that for the bulk of our exports we give long credit to Great Britain, while for our imports we must pay in international money; so that this surplus in exports, much as it adds to our prosperity, carries with it difficult financial problems. It is interesting, therefore, to turn to our imports and to consider how far we ought to be able to produce them ourselves. For iron and steel, in forms used as raw material for manufacturing, we spent abroad over seventy-five millions; for carriages of all sorts, including motor carriages, wagons, railroad cars, horse carriages and for rubber tires, etc., we spent twenty-five millions; for gasolene, steam and other engines and for electrical apparatus, we spent twenty-five millions; for petroleum, twenty millions, and for paper in various forms seven millions. I mention these particular items because we already produce part, and we expect eventually to produce the whole, of our requirements in all of them. If we could do so now we could face the future with complete assurance as to our financial position as a nation, and with the best possible market for our farm products—that at home. We cannot avoid the purchase of coal for some parts of Canada, great as our supply is in other parts, but an expenditure abroad of eighty-two millions for coal and coke raises sharply the question of whether we are doing the best that is possible under the circumstances. Our import figures, as in other war years, are swollen by

an item of $130,773,000, covering military stores, munitions of war, etc., "imported and remaining the property of the Imperial Government," and we can judge of the sudden change that peace will bring by an item among our exports: cartridges—gun, rifle and pistol—$351,539,000.

The field crops of Canada for 1918, the figures of the last month being only an estimate, are valued at $1,383,000,000, as against $1,145,000,000 for 1917, the actual value that year being larger than the estimate. The total production from our mines is estimated at $220,000,000, as compared with $189,646,000 in 1917 and $177,-201,000 in 1916.

Such a surplus of exports over imports as $623,000,000 would, if we were paid in international money, make us financially rich beyond imagination and it would put New York exchange, the real test of our international position, at a discount. As a matter of fact New York exchange has lately been at a high premium, because with all our exports we cannot command enough international money to keep the balance even. At the moment, because of transportation difficulties, we are carrying a very large amount of wheat sold to the British Government. If in settlement we received even a moderate payment in cash we could keep the rate for New York exchange fairly low, but there is no assurance that any part of what is due will be paid in money useful for international settlements. We have pointed out before the extent to which we make purchases from the United States which must be settled in cash, and for which, directly or indirectly, we receive from Great Britain only long-term obligations. This year conditions are not improved, despite large orders for munitions given by the United States to Canada. Comparing the year ending 31st March, 1918, with the previous one, we imported from the United States goods to the value of $792,000,000, as against $678,000,000, and we exported to them $418,000,000, as against $290,000,000, so that we owed them on balance $374,000,000 instead of $388,000,000. During the six months ending September, 1918, matters did not improve; the scale of imports and exports was larger, but the resulting difference against us was proportionately about the same.

The cost of the war to Canada as at 30th November, with all outstanding items carefully computed, was about $1,125,000,000 as compared with $685,000,000 up to the corresponding date a year ago. The balance due to Canada by Great Britain, in the open accounts between the two countries, is about $170,000,000. If we desire to consider the extent to which Great Britain's debt to Canada on war account may help our finances by its liquidation at a future time, we have to add to this $200,000,000 due to the Canadian banks by the Imperial Government.

In November, 1917, the first Victory Loan (the fourth Canadian War Loan) was offered. The sum asked was $150,000,000, and 875,000 people subscribed $421,000,000. The figures we quoted a year ago were largely exceeded when the returns were completed. This issue was made at 98.67, and if it had followed the fate of

most war loans, it would have declined in price somewhat before the next loan appeared, but the organization which made the issue so successful took care of the market so well that, while a very considerable percentage of the loan was turned over from day to day, the issue price was not merely maintained but was raised to par by July, 1918. As a consequence, when the second Victory Loan came out in October last, the Finance Minister was able to make the issue price par with accrued interest. The latest figures for this loan show that, while $300,000,000 was asked, 1,080,000 people have subscribed for $690,000,000. We were very proud that the subscriptions to the loan of 1917 reached a total of $53.37 per head of our population, but the amount subscribed to the 1918 loan was $88.10 per head. In 1917 one citizen in every 9.02 bought a bond, and in 1918, one in every 7.25. The largest amount subscribed per head was in Ontario, where the average was $128.75, and where one in every 4.94 bought bonds. In these calculations the population is estimated at 7,821,200. This is not an official estimate, but it was made with great care. Sales of Canadian securities were only a trifle larger than for the calendar year 1917, but the table below will show that they were almost entirely absorbed in Canada:

Securities	Total Sold	In Canada	In United States	In Great Britain
*Government	$704,632,729	$675,869,396	$25,600,000	$3,163,333
Municipal	45,805,720	43,099,820	2,705,900	.....
Railway	5,000,000	.....	5,000,000	.....
Public Service Corporation.	2,375,000	1,375,000	1,000,000	.....
Miscellaneous	6,155,000	4,505,000	1,650,000	.....
Total 1918	$763,968,449	$724,849,216	$35,955,900	$3,163,333
Percentage	100%	94.87%	4.70%	.43%

This, as compared with anything in our past, is very surprising. Not only are both of our huge Victory Loans at a premium, but the general course of our bond market has shown a corresponding improvement. While it opened in 1918 at the lowest level of prices, and therefore at the highest yield in interest, that we have seen for years, it has improved so that the yield is now from one-quarter to one-half of one per cent. less than at the beginning of the year. Not only have we taken care of all new requirements, but we have paid off loans maturing in the United States to the amount of about $40,000,000. Now that the war is ended, we must expect large issues of provincial and municipal bonds, and these should find a ready market either in Canada or in the United States.

It may be well to recall what we have accomplished during the period of the war in matters which have a bearing on our industrial and financial future. We have increased the deposits by the public in our banks, from July, 1914, to November, 1918, by 587 millions, of which 268 millions is of the interest-bearing or savings class. We have purchased securities issued by the Dominion Government and

*Government issues include $3,500,000 Government of Newfoundland Bonds and $2,000,000 of the French Republic Bond issue, which were absorbed by the Canadian market.

others amounting roughly to one billion four hundred millions, having regard to securities issued in Canada but since sold abroad, and securities bought back from foreign holders. The Dominion Government and the banks have lent to the Imperial Government at least 370 million dollars. We are also carrying on behalf of the Imperial Government a large part of the wheat crop of 1918. The circulation of bank notes has increased by 140 millions, of which, however, 127 millions is covered by deposits of gold or legal tenders in the Central Gold Reserve. The issue of legal tender notes by the Dominion Government, not covered by gold, was at 30th November 221 millions; but while some of this is an addition to the national debt, a considerable part of it is issued under the Finance Act to facilitate the movement of products and should thus in time disappear.

There will doubtless be considerable foreign trade open to those who can compete for it, but it will not be obtained without a struggle which leaves no room for lack of skill in manufacturing, of the knowledge of costs, of the power of finance, and of the facilities for transportation. If we can finance part of the reconstruction of Europe as we have financed the making of munitions for Great Britain, we shall probably get a fair share of the business now that we have a trade mission in existence for this purpose. For a time there will apparently be a market for all food-stuffs, and the demand for agricultural implements should keep our factories very fully employed. Lumber mills should readily sell their product, and doubtless many industries which attained success under our rather difficult pre-war conditions will battle successfully for a share of foreign trade. The recent announcement that orders for lumber valued at forty millions of dollars will be placed in Canada, and will be financed by the Dominion Government, is the first result of our trade mission.

There is such a scarcity of cattle throughout Europe, and the work of building up reserves is so slow, that we may expect a good market for some years to come. An admirable report by the Canada Food Board shows that, based on the number of animals to every hundred acres of farm lands, we are still at the bottom of the list as producers of cattle, sheep and hogs. That we should have only about one-fourth as many cattle per hundred acres as Holland or Denmark, and only about one-half as many as Great Britain or France, is not so strange as that we have not as many as the United States. Of Great Britain's immense requirements we supply only about three per cent. We do not count at all so far as sheep raising is concerned, and if, as is estimated, the world's supply of wool will not be normal for six years, the opportunity is evident. It is, however, our relative standing as a producer of hogs that is most surprising. We raise only 3 hogs per hundred acres of farm lands, against every 8 in the United States, 19 in Holland, and 22 in Denmark, and we supply England with only ten per cent. of her requirements. To repeat the words of this report, "the enormous possibility for development of the Canadian live stock industry is

apparent." Our farmers have much more capital than ever before, and we hope that not only a large annual supply of animals for the market will result, but much larger herds as the basis of supply.

If we are to secure the increased production necessary to pay our debts and to prosper, we must recognize certain main points as essential to success. We must be able to lend money to many of the purchasing countries, a condition never present in our export trade before the war. We can readily sell at good prices the products of our farms and pastoral areas, and of our forests and mines. We can find good markets for the manufactured goods which appeared in our exports before the war: agricultural, traction and electrical machinery, paper, pulp, and other articles. For the time being, and we hope permanently, we can build ships, railroad cars and engines, for other countries as well as for ourselves. But we can only keep export trade permanently by a superiority over other manufacturing nations in at least some respects. We have at least one asset of great significance. We are possibly better supplied with water powers of great future possibilities than any other country in the world. Except in the maritime provinces and in one prairie province, we can provide almost every important industrial centre with hydro-electric power. In many countries possessing water powers their value as a national asset is prized so highly, that we may be left in the background if the problem of gradual development at the minimum of cost is not soon solved. This must be worked out on terms of equity both as to the proper distribution of such a priceless asset, and as to the rights of the private capital invested therein, with full assurance as to the sacredness of contract. We have more than once drawn attention to the necessity for industrial bureaus where some of the troubles of the manufacturers can be solved, and for such investigations as those carried on by the Honorary Advisory Council for Scientific and Industrial Research at Ottawa. We are told that we have not in Canada a sufficient number of students available for research work, and this is no doubt quite true. It unfortunately reflects the inability of our universities, because of quite inadequate incomes, to afford the opportunities for training and study which the conditions of our country demand.

We can now start afresh with the problems of peace, conscious that greater effort is necessary for the future but that we are able to do many things thought impossible before the war; that our war burden, heavy as it is, is lighter than that of several of the leading nations, and that with our small population and vast country we should be able to attract immigration more successfully than ever in the past. Our war debt, at least that part of it which is held at home, will not seriously interfere with our power of production. Our heaviest burden will still be the annual sum we must pay for interest on our debts to other countries. Because of securities floated in the United States during the war, this is now about 185 millions. If, therefore, living in our comfortable way, we could provide for our public and private improvements by loans at home,

and export more than we import to a sufficient extent to enable us to pay this foreign interest, we should prosper and not feel the cost of the war too much. I am aware, however, that we have a small population and a great country to develop, that immigrants may come in large numbers, that railway building is far from being at an end, and that our credit will be good in all markets where money can be obtained. So that although our Victory loans have taught our people to invest their savings in securities, and have made manifest an ability to absorb securities which has amazed us, we shall doubtless, as in the past, borrow abroad for our larger schemes of development and thus still further mortgage the future of this country. The wisdom of borrowing depends in each case upon the resulting gain in productive power, but as a rule we shall do well in the near future to look with suspicion upon loans obtained abroad, and to remember that the interest and amortization of such loans is, like the farmer's mortgage, the shadow over every working day.

I must not close my remarks without a reference to the very marked change which has come about in the banking institutions of the world. Before the war modern transportation and the cable were so increasing the transactions between the various nations, that bankers in Great Britain and the United States, not hitherto dealing in foreign exchange, were beginning to discuss the establishment of foreign branches. The war, by its huge demands on finance, accentuated by high prices, has had the effect of causing amalgamations of banks on a large scale, in order that adequate support to business might be possible under the new conditions. Several of these amalgamations have, however, been mainly for the purpose of joining British banks of deposit and discount of the ordinary type to banks established for foreign business. One great American bank which has lately gone into foreign fields has already established 39 foreign branches, and announces that it will before long have one hundred such establishments; so that we, who have always been more or less in the foreign banking business, must look to our laurels. In the meantime, without any recent amalgamations, our own figures have reached a total which would have been most noticeable in any financial centre twenty years ago.

The new Board of Directors was then elected—including the President and Vice-President as subsequently re-elected:

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L. - - - PRESIDENT
Z. A. LASH, ESQ., K.C., LL.D. - - - - - - - - - VICE-PRESIDENT

JOHN HOSKIN, ESQ., K.C., LL.D., D.C.L.
SIR JOSEPH FLAVELLE, BART., LL.D.
A. KINGMAN, ESQ.
HON. W. C. EDWARDS.
E. R. WOOD, ESQ.
ROBERT STUART, ESQ.
SIR JOHN M. GIBSON, K.C.M.G., K.C., LL.D.
G. F. GALT, ESQ.
A. C. FLUMERFELT, ESQ.
HON. GEO. G. FOSTER, K.C.

CHAS. COLBY, ESQ., M.A., PH.D.
G. W. ALLAN, ESQ., K.C., M.P.
H. J. FULLER, ESQ.
F. P. JONES, ESQ.
H. C. COX, ESQ.
C. N. CANDEE, ESQ.
J. S. MITCHELL, ESQ.
THOS. FINDLEY, ESQ.
W. W. HUTCHISON, ESQ.
H. R. SILVER, ESQ.

GENERAL STATEMENT

OF

THE CANADIAN BANK OF COMMERCE

30TH NOVEMBER, 1918

LIABILITIES

Notes of the Bank in circulation		$ 31,583,694.68
Deposits not bearing interest	$151,010,570.57	
Deposits bearing interest, including interest accrued to date	202,148,245.47	
		353,158,816.04
Balances due to other Banks in Canada		104,106.35
Balances due to Banks and Banking Correspondents elsewhere than in Canada		10,322,592.58
Bills Payable		118,347.00
Acceptances under Letters of Credit		13,048,927.03
		$408,336,483.68
Dividends Unpaid		4,376.86
Dividend No. 127 and bonus, payable 1st December		525,000.00
Capital Paid up	$ 15,000,000.00	
Rest Account	15,000,000.00	
Balance of Profits as per Profit and Loss Account.	1,444,842.68	
		31,444,842.68
		$440,310,703.22

ASSETS

Gold and Silver Coin Current on hand	$ 15,686,046.24	
Gold deposited in Central Gold Reserves	6,500,000.00	
Dominion Notes on hand	28,785,117.25	
Dominion Notes deposited in Central Gold Reserves	11,000,000.00	
		$ 61,971,163.49
Notes of other Banks	$ 2,293,472.00	
Cheques on other Banks	15,701,358.67	
Balances due by other Banks in Canada	100.62	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	8,267,187.82	
		26,262,119.11
Dominion and Provincial Government Securities, not exceeding market value		36,165,259.20
British, Foreign and Colonial Public Securities and Canadian Municipal Securities		29,884,242.13
Railway and other Bonds, Debentures and Stocks, not exceeding market value		6,018,039.70
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks		13,843,130.58
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada		28,018,919.10
Deposit with the Minister of Finance for the purposes of the Circulation Fund		856,108.55
Other Current Loans and Discounts in Canada (less rebate of interest)		199,672,294.68
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		17,617,641.44
Liabilities of Customers under Letters of Credit, as per contra		13,048,927.03
Overdue Debts (estimated loss provided for)		103,320.80
Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank	$ 1,150,347.84	
Less balance of mortgage assumed	32,307.04	
		1,118,040.80
Mortgages on Real Estate sold by the Bank		237,681.64
Bank Premises at cost, less amounts written off		5,344,500.04
Other Assets not included in the foregoing		149,314.98
		$440,310,703.22

B. E. WALKER,
President.

JOHN AIRD,
General Manager.

CANADIAN WAR POLICY AND FINANCE

ANNUAL ADDRESSES AND REPORTS*

OF

THE ROYAL BANK OF CANADA

Review of the Bank's Annual Statement by C. E. Neill, General Manager.

The statement before you to-day is the best that has been submitted to the shareholders of this Bank. Total assets are $427,512,982.91 as against $335,574,186.52 last year. A portion of the increase—$27,819,291.82—arises from the purchase of the Northern Crown Bank. Total deposits are $332,591,717.92, the growth for the year being approximately $80,000,000. The relatively large increase in free deposits as compared with interest bearing deposits is due to the transfer of funds to the Dominion Government during the month of November on account of payments on the last Victory Loan. There were heavy withdrawals from the Savings Department in connection with previous Victory Loan issues, but the decrease in interest bearing deposits was temporary, and it may be expected that the withdrawals in connection with the present loan will be made up in due course.

It is interesting to note that subscriptions to the last Victory Loan made through this Bank aggregated $104,507,400, of which amount $14,774,564 was due to conversions, the number of our subscribers was no less than 127,085. The expansion in our circulation continues, the increase for the year being over $11,000,000. The excess is covered by the deposit in the Central Gold Reserve—$26,000,000. Current loans show a substantial expansion, indicating that we are doing our share in taking care of the commercial requirements of the country. The liquid position of the Bank is more favourable than it was last year, the percentage of liquid assets to liabilities to the public having increased from 53.9% to 56.59%. From the standpoint of cash reserves we are also stronger, the percentage of cash to liabilities to the public being 17.13% as against 16.36% the previous year. Our additional investments are chiefly in securities of the Imperial Government and Canadian Government issued for war purposes.

The substantial growth in the Bank's assets has resulted in a pronounced increase in earnings. Net profits for the year were $2,809,846.24, being 10.19% on the combined capital and reserve,

*Note. Annual Meeting Jan. 9, 1919. For History of the Bank see Supplement to *The Canadian Annual Review* for 1910; For preceding Reports and Addresses see Volumes for 1911-17.

as compared with $2,327,979.51, 8.82% on capital and reserve the previous year. The marked growth in the Bank's general business is due to the activities in all branches of trade and increased value of agricultural production. We must now grapple with the problems of a period of deflation and reconstruction, and we do so with the strong conviction that no serious difficulty will be encountered in surmounting them.

Address by Sir Herbert S. Holt, President of the Bank.

I am sure I am giving expression to the thoughts of all present in saying that uppermost in our minds at this time are feelings of relief and thankfulness for the end of the terrible war with which the world has been afflicted for four and a quarter years—an ending of triumphant success to the Allies, without which any relief or thankfulness would be inconceivable. With the relatives of those who have given their lives in our cause, we deeply sympathize. The valour and achievements of Canada's soldiers on the battlefield fill us with pride, and gratitude for their heroic service should be shown in tangible form. The country is their debtor. Satisfactory employment should be found for every returning soldier who is fit to work, and relief extended to the maimed and crippled. In this Bank, unless there is some good reason to the contrary, every officer who enlisted and who applies for reinstatement within a reasonable time after his return will be re-engaged on the salary to which he would have been entitled had he continued in the service, subject to reasonable adjustments, where necessary.

The sudden collapse of Germany and her allies has brought us face to face with the grave economic problems which had been foreseen. Not only must several hundred thousand fighting men be reabsorbed into civil life, but an industrial army must be transferred from the manufacture of war materials to other lines of production. Moreover, before the war financing is completed, it is estimated that our national debt will exceed $1,800,000,000, and in addition we must provide for an annual pension load of approximately $30,000,000.

Such an outlook would have been viewed four years ago with widespread pessimism. To-day it is met with confidence, well founded upon abundant natural resources, demonstration of ability to adapt ourselves to unusual conditions, and wonders performed during the times of war through organization and skilful leadership. In spite of the drain on our man power, industrial efficiency is higher than in 1914, and capacity for production has increased; while many enterprises which were then feeling the stress of hard times are now firmly established. Our exports since 1914 have enabled us to regain the balance of trade which for many years previous had been against us. Our general prosperity is evidenced by the striking increase in bank deposits, and by the success of the Victory Loans, particularly the most recent. In that case the sub-

scription per capita was greater than for any other loan made by the warring nations with the exception of the third British issue.

The grain crop of 1918, though light in some sections, has proved the most valuable in our history, and is estimated to be worth $1,235,000,000, as against $825,000,000 in 1915, when the harvest was much more bountiful. The increase of $410,000,000 is entirely due to the high prices prevailing. With improved shipping facilities and the marketing of reserve stocks of grain in Australia, India and the Argentine, lower prices in the future may be anticipated. Increased production and improved farming methods are therefore vital in order that the value of our exports may not be lessened. A beginning has already been made in this direction by the Dominion and Ontario Governments, which are offering special inducements to returned soldiers to settle on unoccupied lands. A desirable type of immigration may be expected from the United States, and all settlers with experience in farming will augment our revenue. Any influx of unskilled labour during the period of reconstruction would only add to our burdens.

Exports of pulp and paper continue to increase. In the last fiscal year they reached a total value of more than $71,000,000, and the next returns promise to be higher. In this connection the Government will be well advised in not imposing restrictive regulations when they interfere with increased production. There is also a steadily increasing demand, both in home and foreign markets, for Canadian fish. The expansion of this industry will help to decrease the cost of living, provide more employment and add considerably to the national wealth. Our waterpowers constitute one of our greatest assets, and as these are developed we may expect an influx of capital and the establishment of important industrial enterprises. It is to be deplored that so much of our raw material is sent out of the country and returned in part in the form of manufactured goods. Wherever we possess an advantage in basic supply, it should be our aim not only to satisfy home demands for the finished product, but to find markets for the surplus outside of Canada.

We have every confidence that the trade mission established in London will be able to secure for us a share proportionate to our sacrifices in the business arising out of reconstruction work in the devastated countries. Arrangements doubtless will be made for an equitable distribution of orders in Canada, and these will require financial support from all the banks similar to that accorded to munition and other war contracts. Some little time must elapse before trade projects can bear fruit and factories be refitted. To provide for the consequent period of unemployment, the Government has announced its intention of proceeding with public works, which it is hoped will be confined to improving our waterways, port facilities and public roads, and in addition has offered loans for housing purposes, through the provincial authorities.

As all our trade enterprises both at home and abroad must be financed by Canadian capital, their success will be measured by the

extent of our national capacity for self-denial. To encourage the habit of thrift among all classes, the Government has inaugurated a War Savings Stamp campaign similar to that which proved so popular in Great Britain and the United States. It is unnecessary to enlarge on the value of individual and national thrift. In England the War Savings Committee have recently announced that the organization built up by it throughout the country will be continued as a permanent part of the national machinery. The development of the habit of saving in England has met with marked results, the number of holders of Government securities increasing from 345,000 at the beginning of the war to over 17,000,000 to-day. The success of the movement in England would seem to justify its permanent retention in this country.

The announcement by the Coalition Government of Great Britain that it intends to adopt a protective tariff, marks a change in fiscal policy which will prove far-reaching in its effect. To strengthen the bonds of Empire the Mother Country will apply the principle inaugurated by Canada and accord a preference to the Dominions and Dependencies on all duties now levied, or which may hereafter be imposed. As duties at present exist on sugar, coffee, cocoa and tobacco, the application of this policy will give an important advantage to the West Indies and British Guiana in the markets of the United Kingdom, and greatly increase the prosperity of these tropical possessions.

The Business Profits War Tax Act ceased to apply on the 31st day of December, 1918, except in the case of any company or person who had failed to make returns. The Minister of Finance has wisely made the provisions of this Act practically co-terminous with the period of earning of large profits incidental to special business during the war. If labour is to be given its full opportunity, the capital which finds employment for it must not be hampered. Since the signing of the armistice a marked tendency has been evident on the part of those in authority in England and the United States to extend the system of paternalism, which was only approved as a war measure. Organizations which have attained maximum efficiency through individual enterprise and experience will now likely pass under the control of inexperienced political executives and unenterprising officials. At this time, when the need for national economy was never greater, it seems imperative that administration should be left in the hands of the most capable, with Government assistance whenever it can be usefully extended, and Governmental regulation wherever public interest demands.

In July last we consummated the purchase of the assets of the Northern Crown Bank, which aggregated $27,819,291. After closing 14 offices at points where we already had branches, we secured through this amalgamation 76 branches in Manitoba and the North-West, excellently located, and 20 in Ontario. In this as in previous amalgamations, you will see that our position was very definitely strengthened in a particular district. With the Union Bank of

Halifax we improved our connection in the Maritime Provinces, with the Quebec Bank in the Province of Quebec, and with the Traders Bank of Canada, in the Province of Ontario. You will be asked to adopt a resolution increasing the number of Directors from 20 to 22 to provide for the addition of two Directors from the Northern Crown Bank.

I have pleasure in announcing on behalf of the Directors an increase in the Capital Stock of the Bank from $14,000,000 to $16,000,000 by an issue of 20,000 shares at 150 per share, to shareholders of record at the close of business on yesterday's date. The basis of issue will be one share in seven. Under the terms of the Bank Act holders of less than seven shares of old stock will receive no allotment, but the shares comprising the unallotted fractions will be offered to the public for subscriptions, and any sums derived from such sale in excess of the issue price of 150 per share will be distributed ratably to the respective shareholders from whose shares the fractions arose. The percentage of capital to deposits having materially decreased owing to the increase in deposits from $140,000,000 at the beginning of the war to $330,000,000 at this date, your Directors deem it expedient to increase the capital, feeling sure that the additional amount can be profitably employed in the rapid development of the Bank's business. Circumstances permitting, the policy of increasing the capital on attractive terms to the shareholders will be continued in the future.

Address by Edson L. Pease, Vice-President and Managing Director.

The President in his address has referred at length to the salient features of the post-war position, and the General Manager has reviewed the course of the Bank's business during the past year. I shall refer more particularly to the extension of the Bank's operations in foreign fields and our policy in that direction. In June last we established a branch in Barcelona, Spain, in order to participate in the large trade between that country and her former colonies, where we have many branches, and I am pleased to say the results have greatly exceeded our expectations. We are now preparing to open in Paris, France, in order to secure a share of the commerce which is expected to develop with Canada in the rehabilitation of northern France and Belgium. In consideration of the commission sent to Siberia by the Dominion Government and the developments to follow, officers have been sent to Vladivostok, Siberia, to open a branch there. This action was taken with the commendation of the Government. The commission, which comprises representatives of agricultural, mining, transportation and financial interests, was sent to aid in supplying the pressing needs of Russia, and assist in stabilizing conditions there. The organization of a Siberian Supply Commission will follow, and through it goods will be purchased in Canada for shipment to Russia. Siberia needs many commodities which Canada can supply, such as agricultural implements, shoes and clothing.

If Canadian industries are to flourish and increase in the face of the world's competition, our manufacturing processes must be improved, all waste eliminated, by-products utilized, and research encouraged. In the new order of things there is no room for antiquated or unscientific methods. A step in the right direction is the formation of groups of Trade Guilds with the object of applying scientific knowledge to the problems of various industries. These guilds follow the plan developed with such rapidity and success in the United States and in Great Britain, where more than thirty are now in operation. The determining factor in our success will be progress in scientific research, through which a new impetus will be afforded to industrial activity.

A distinct advance has been made in methods of selling goods in foreign markets. The traveller who formerly served the limited interests of one manufacturer is now being replaced by Export Companies which act as sales agents abroad; some for a number of firms engaged in the same industry; others for a group of varied enterprises. Under the new system a thorough study is made of the business possibilities of the territory to be covered, a permanent office is established, and specialized salesmen are employed. A maximum selling efficiency is thus obtained at minimum cost. So great are its advantages that the United States, which has always legislated against combines, has, by the Webb Law, sanctioned their formation for export trade, and up to November last 52 combinations embracing machinery and tool makers, paper makers, lumber manufacturers and general exporters were registered under this Act. The recent incorporation of companies in Canada for a like purpose, indicates that we shall not fail to keep pace with this new development. The British Committee on "Commercial and Industrial policy after the War" strongly recommends the establishment of these combined selling organizations in all lines of trade.

The extension of Canada's export trade is vital to her commercial self-preservation and future economic welfare. Only by creating a large favourable balance of trade can we hope to meet the interest on our foreign debt. A great opportunity lies in the speedy development of all the possibilities of our live stock industry, which during the past five years has experienced a phenominal growth. It is capable of far greater expansion, and as the world's production of animal food stuffs will not be equal to the demand for many years to come, high prices and good markets are assured. A special trade and commerce committee has been sent to London with a view to securing special business from the Allies during the period of reconstruction, which would mean genuine prosperity for several years, but beyond this we need to promote permanent trade relations with South America, the Orient and other portions of the Empire. Other countries are making great preparations to exploit these fields, and there is no reason why Canada should not play an important part in the competition. Our manufacturers demonstrated their technical skill and efficiency in producing munitions and other commodities

during the war at a lower cost than the United States. We possess an important advantage in our cheap lumber and paper. The vigourous ship-building policy of the Government will provide in the course of the next eighteen months forty-five vessels of a total dead weight tonnage of 246,000 tons, and thus afford direct communication with foreign countries. Of our large imports of tropical products from the West Indies and South America, only about one-fifth reaches us directly. Four-fifths are discharged at United States ports for trans-shipment to Canada, and the steamers which bring them are laden on the return voyage with American goods.

One of the most effective means of securing export business would be an improvement in transportation facilities. Our ports, both on the Atlantic and the Pacific, should be amply provided with docks of the best class and with the most modern equipment for loading and unloading. If they were also practically made free, vessels would be attracted from all parts of the world. The Canadian banks can effectively aid our export trade by establishing branches in foreign countries and supplying information to the Canadian exporter to enable him to judge of trading possibilities; such information to include statistics relative to the demand for our manufactured and raw products, methods of transacting business, rules and regulations to which business interests must conform, and the standing and credit of business houses. British banks exist in almost every foreign country, and have proved a powerful factor in the development of Great Britain's world wide trade. Lloyd's Bank recently purchased the assets of the London and River Plate Bank, the largest bank in South America. Germany's trade was promoted by her banks, and American banks are rapidly establishing foreign branches.

The American Bankers' Association adopted the following resolution at its annual meeting in Chicago in September last: "To support by every means in their power the development of export trade, to encourage manufacturers to enter upon the field of distribution, and to provide as rapidly as possible adequate facilities for financing export operations that the nation's great merchant marine may be profitably continued after the war."

Are we going to accept the crumbs of foreign trade without serious competition on our part? It does not follow that Canadian deposits would be diverted to foreign fields—the experience of this bank has proved the contrary. Our foreign deposits have always exceeded our foreign commercial loans, as the Government returns show. The present excess is over $15,000,000. We have now had twenty years' experience of banking in Cuba, the West Indies and Central America. During this period our losses have been infinitesimal—much under the percentage incurred in Canada, because the business represents chiefly the movement of staples, accommodation paper being inconsiderable. That Canada's trade is benefited by these branches is shown by the numerous business enquiries received. At the same time it cannot be said that we have neglected home

interests. The number of our branches in Canada exceeds that of any other bank. With a view to the extension of Canada's foreign trade and encouraged by our past success in this field of banking, for which we are well equipped, we have decided after long consideration and carefully studying the situation to open three branches in South America, at Rio de Janeiro, Brazil, Montevideo, Uruguay and Buenos Aires, Argentine. Members of the staff for these branches have already been selected, and are about to leave for South America.

I cannot close without some reference to the achievements of the men who have so splendidly represented our country abroad. They have made the name of Canada great in war—it is for us to keep it great in peace. With thrift, co-operation, organization and wise leadership, we may hope to build up a nation strong in its own strength and a worthy partner in the Empire.

Summarized Report of Provincial Conditions

British Columbia. The past year was a most prosperous one for British Columbia. The demand for its lumber, mineral and fishery products was very active at enhanced prices, and labour was fully employed at remunerative wages. Lumber production for the first nine months of 1918 showed a slight falling off compared with the corresponding period of 1917, but the increased value of lumber for ship and aeroplane construction is expected to bring the value of the total production of 1918 to approximately the value of the output of the previous year. Owing to reduced grain crops in the Middle West there was a lessened demand for lumber in that market, and for a short period the United States market was closed to our mills by embargo. Shipbuilding has become one of the chief factors in the prosperity of the Province. Three yards are building steel steamers, and seven are engaged on wooden ships. The value of the products of the pulp and paper mills will no doubt exceed that of 1917, as mills have been operating to capacity. The figures are not yet available.

The value of the mineral output for 1918 is estimated at slightly less than in 1917, when the value was $37,000,000. Copper continued to be the most important mineral in point of value. Coal production for eleven months of 1918 exceeded the output for the same period of the previous year. The salmon pack was large, being equal to that of 1917, a record year. Packing costs increased considerably, but the price of the canned fish advanced and canners anticipate a fairly profitable season. The Government commandeered all sockeyes and red springs, also 75% of cohoes and 70% of pinks. The Fraser River fishing was a failure, but in other districts it was excellent. The smaller catch of halibut was offset by an increased average price of from 50% to 75%. The total fish production of the Province was equal to the large production of 1917.

Crops were later than usual on account of a cold spring. Sub-

sequent drought resulted in rather lower yields of hay, wheat and oats. An increase of about 17% in crop area is reported, and the total yield of all field crops was considerably greater than in 1917. Many new orchards came into bearing and in consequence the fruit crop was larger than that of the previous year. The quality of the fruit was superior, and the return to growers much higher than the average. The live stock industry is in a satisfactory condition, and an increased demand for farm lands was noticeable. General trade was good throughout the year. Owing to the high cost of materials and labour only a small amount of building was done. Houses were scarce and in good demand. Rentals of urban real estate improved.

Middle West Provinces. In response to the call for greater production, the spring of 1918 found the western farmers with a largely increased acreage prepared for seeding. Very favourable weather conditions at seeding time, however, were followed in June by hot winds and drought for a protracted period throughout the southern districts of the three provinces, and by frost in July and early September in the northerly districts. The crop was seriously affected, and results were disappointing. In southern Alberta and parts of southern Saskatchewan the crop was almost a total failure, and in the north a large proportion of the grain was only fit for feed. Manitoba was more fortunate. The price of wheat (No. 1 Northern, in store at Fort William) was fixed by the Government at $2.21 per bushel for the year September, 1917-1918, and at $2.24½ per bushel for September, 1918-1919. The figures of yield for 1918 in the following statement are subject to revision.

	1917 Bushels	1918 Bushels
Wheat	211,953,000	186,175,000
Oats	254,876,000	261,114,000
Barley	40,384,000	54,608,000
Rye	2,269,000	7,651,000
Flax	5,836,000	7,431,000
	515,318,000	516,979,000

At one time during the year it was feared that ranchers and farmers in southern Alberta and southwestern Saskatchewan, would suffer considerable loss through lack of feed caused by the drought. This danger was averted by prompt measures on the part of the Dominion and Provincial Governments and the railway companies in assisting in the removal of herds to the North. The following is an estimate of live stock holdings in the Prairie Provinces:

	1917	1918
Cattle	3,415,487	3,561,524
Horses	2,025,996	2,103,165
Sheep	551,634	547,925
Swine	1,679,772	1,536,073

More attention is being paid to mixed farming. The output of

coal in Alberta for the first nine months of 1918 was 4,594,000 tons, as compared with 4,863,000 only for the full year 1917. Gold and copper was produced in Manitoba in small quantities. Wholesale and retail business was good, but collections were not quite so satisfactory as in the previous year on account of the smaller crop and the influenza epidemic.

Immigrants were fewer than in 1917, but of a very desirable class.

Ontario. The past year, generally speaking, was one of continued prosperity for the province. Business conditions were very satisfactory, although production was affected by scarcity of labour and, in certain lines, of raw materials. The high prices obtained for all products, however, offset the decreased production to a large extent. Manufacturers formerly engaged in war industries are adapting their plants to other lines of work. There was no unemployment up to the time of the cessation of hostilities. While a considerable number of men and women have recently been thrown out of work, it is expected that conditions will readjust themselves within a reasonable time. Manufacturers in some cases are carrying fairly large stocks at high prices, but a material reduction in such prices is not anticipated for at least a year.

The farmers enjoyed another very successful year. Most of the crops were good, and were harvested under favourable conditions and disposed of at high prices. The fruit crops were poor and below the average, principally through unfavourable weather. The dairying industry was prosperous on the whole, prices for all dairy products being high, but farmers in some districts were compelled to reduce their herds of milch cows owing to the shortage of labour. The production of cheese was less than in 1917, but sold at a remunerative fixed price. More cattle and calves were sold in the Toronto Stock Yards than in 1917 at prices averaging $2.50 per cwt. higher. Fewer hogs changed hands than in the previous year, but at prices 50c. per cwt. higher. Horses were not in as great demand, as there were fewer purchases for Government account. Sheep were raised on a larger scale on account of the high prices obtainable for wool. The prosperity of the farmers is reflected in reductions of mortgages, in the acquisition of improved machinery and implements, and in War Loan investments.

The output of lumber was considerably less last year than in 1917 owing to the increased cost of camp supplies, shortage of fuel and skilled labour, and other adverse causes. Most of the saw mills closed down in November, and stocks of lumber were never so low. The epidemic of influenza which recently prevailed throughout the province has seriously retarded lumbering operations this season. Pulp and paper mills had a satisfactory year with a larger output, and prevailing prices were still higher than in 1917. The value of the mineral production of the province for the first nine months of 1918 as compared with the same period for 1917 was as follows:—

	1917	1918
Gold	$ 6,754,500	$ 6,875,800
Silver	12,001,900	12,501,000
Nickel Matte	15,532,000	20,105,100
Copper Matte	6,371,200	6,820,800
Pig Iron	9,841,400	14,728,400
Other Minerals	1,673,500	2,492,600
	$52,174,500	$63,523,700

Mining, like other industries, suffered from scarcity of labour, but the production of nickel and pig iron was considerably greater than in 1917, and sold at higher prices. The quantity of silver mined was 2,000,000 ounces less than last year, but the average price in 1918 was 95¼c. per ounce against 79¼c. in 1917. The shipbuilding yards of the province worked to capacity and are reported to have sufficient orders on hand to keep them employed for some time to come at profitable rates. Wholesale and retail dealers had a prosperous year. Mortgage loans on farm and city properties were exceptionally well met. Many farmers now find themselves in the fortunate position of being lenders instead of borrowers. Owing to its valuable water powers, which are being gradually developed on a large scale, the province has an asset in its electric power which enables it to compete successfully in manufacturing with countries paying less for wages and more for power.

Quebec. Crops throughout the province were generally satisfactory. The hay and oats yield was from good to average. Potatoes in some districts suffered from rot. The dairy output was large, and products were disposed of at the highest prices ever known. Farmers received between 24c. and 25c. per pound for cheese, and from 50c. to 54c. for butter. Exports of grain and dairy products from Montreal were as follows:—

GRAIN AND FLOUR.

	1917	1918		
Wheat (bushels)	35,314,000	22,082,000	Dec.	13,232,000
Oats (Bushels)	18,126,000	34,748,000	Inc.	16,622,000
Barley (Bushels)	2,420,000	2,763,000	Inc.	343,000
Flour (sacks)	5,874,000	7,419,000	Inc.	1,545,000

DAIRY PRODUCTS.

	1917	1918		
Cheese (boxes)	1,699,000	1,754,000	Inc.	55,000
Butter (packages)	42,300	143,400	Inc.	101,100
Eggs (cases)	217,500	77,700	Dec.	139,800

Manufacturers had a satisfactory year. The textile trade was busy to capacity and orders are reported to be on hand for months ahead. The woollen industry, however, was somewhat handicapped by a scarcity of yarn. Plants manufacturing munitions were busy throughout the year up to the last few weeks, when war orders were curtailed or cancelled. The boot and shoe trade was not as active

as usual, owing to the high price of leather. There was a slight improvement latterly, however, as retail stocks had become diminished.

The lumber cut was small, and sales were light owing to ocean freight being prohibitive and space practically unobtainable. Prospects, however, have improved for export to the United States market. Pulp and paper mills were working to capacity at remunerative prices. There was considerable ship construction and repair work during the year at Montreal, Three Rivers and Levis. Collections were seldom better, and wholesalers report that a very large proportion of customers took advantage of cash discounts. Failures were remarkably small, being 349 against 480 in 1917, with liabilities of $5,600,000 compared with $8,500,000 for the previous year.

Maritime Provinces. Cereal and root crops suffered to a certain extent from adverse weather conditions, oats, wheat and potatoes being principally affected. The yield of hay in Nova Scotia was below the average, but better than in 1917 in some sections of New Brunswick. The production of hay in the Maritime Provinces as a whole was below the average, and prices are as a result exceptionally high. Farm products generally commanded good prices. The Annapolis Valley apple crop was smaller than usual, but the yield was of good quality. As the British market is again available, satisfactory returns are anticipated.

The deep sea fisheries gave an average yield, although it is estimated that between 15,000 and 20,000 quintals were lost through the activities of enemy submarines. Prices rose from $10 to $15 per quintal, the result of the heavy demand from Cuban and South American markets. The increase in the value of fish products has led to a larger investment in schooners and smaller craft, and fishermen are at present better equipped than ever before. The lobster pack amounted to only 100,000 cases as compared with 190,000 in 1917. High prices were obtained, however. Stormy weather was responsible for losses to boats, wharves, etc.

A decrease was shown in the production of coal due to shortage of labour, the output being nearly 10% below that of 1917. This should be remedied, however, by the return of miners from the front. The demand for coal continued heavy throughout the year, and prices ruled high.

The lumber cut was smaller, due to shortage of labour and high operating costs. The English market was practically closed to shippers, and tonnage, to the United States and South America was difficult to obtain. The demand for timber used in shipbuilding was firm throughout the year.

Manufacturing plants were kept busy throughout the year, and manufacturers generally are in improved financial circumstances. Plants which were making munitions are readjusting their organizations to operate on a peace basis.

Activity in the construction of wooden ships was maintained

throughout 1918, and at the present time a considerable number of vessels are on the stocks. Four steel steamers were constructed or are under construction, and contracts have been given for a number of other large vessels.

GENERAL STATEMENT
OF
THE ROYAL BANK OF CANADA

30TH NOVEMBER, 1918.

LIABILITIES.

To the Public:—	
Deposits not bearing interest	$135,243,278.72
Deposits bearing interest, including interest accrued to date of Statement	197,348,439.20
Total Deposits	$332,591,717.92
Notes of the Bank in Circulation	39,380,975.74
Balance due to Dominion Government	9,000,000.00
Balances due to other Banks in Canada	26,794.90
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	6,068,926.22
Bills Payable	316,058.43
Acceptances under Letters of Credit	10,162,629.56
	$397,547,102.77
To the Shareholders:—	
Capital Stock Paid in	$14,000,000.00
Reserve Fund	15,000,000.00
Balance of Profits carried forward	535,757.19
Dividend No. 125 (at 12% per annum) payable Dec. 2nd, 1918	420,000.00
Dividends Unclaimed	10,122.95
	$427,512,982.91

ASSETS.

Current Coin	$17,488,314.07
Dominion Notes	24,636,344.75
Deposit in the Central Gold Reserves	26,000,000.00
Notes of other Banks	10,678,020.86
Cheques on other Banks	20,034,899.30
Balances due by other Banks in Canada	6,042.80
Balances due by Banks and Banking Correspondents elsewhere than in Canada	10,391,516.44
Dominion and Provincial Government Securities, not exceeding market value	36,599,976.37
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	29,620,885.90
Railway and other Bonds, Debentures and Stocks, not exceeding market value	15,084,414.64
Call Loans in Canada, on Bonds, Debentures and Stocks	10,067,481.94
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada	24,374,191.40
	$224,982,088.47
Other Current Loans and Discounts in Canada (less rebate of interest)	119,184,715.26
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	64,175,163.85
Overdue Debts (estimated loss provided for)	388,513.29
Real Estate other than Bank Premises	1,171,131.69
Bank Premises at not more than cost, less amounts written off	6,492,011.85
Liabilities of Customers under Letters of Credit, as per contra	10,162,629.56
Deposit with the Minister for the purposes of the Circulation Fund	742,818.75
Other Assets not included in the foregoing	213,910.19
	$427,512,982.91

H. S. HOLT, *President.* EDSON L. PEASE, *Managing Director.* C. E. NEILL, *General Manager.*

CANADIAN BANKING CONDITIONS

ANNUAL ADDRESSES AND REPORTS*

OF

THE MERCHANTS BANK OF CANADA

The 56th Annual Meeting of the Shareholders of the Merchants Bank of Canada was held on the 4th June, 1919, in the Board Room at the Bank's Head Office at Montreal. The President Sir H. Montagu Allan was in the Chair and submitted the Annual Report as follows:

I beg to submit on behalf of the Directors the Fifty-sixth Annual Statement of the Merchants Bank of Canada as at the close of business on the evening of the 30th April, 1919, together with a Statement of the Profits covering the relative period. Notwithstanding ever-mounting operating costs, the net profits resulting from the year's business were $1,383,569.40, being an increase over last year of $146,888.44, a showing which, I believe, you will regard with satisfaction. During the past year your Directors felt warranted in distributing an extra dividend of 1% and in placing the stock upon an 11% basis. No doubt their action in this respect will have your entire approval. The financial position of the Bank, as reflected in detail in the Balance Sheet before you, will meet, I am sure, with your full approbation.

Another Victory Loan last autumn was generously subscribed to by the Bank's clientele throughout the country, their total subscriptions reaching the very large sum of $45,810,400, of which but $4,333,800 was made up of conversions from previous issues. This left a net amount of $41,476,600 paid in cash through the six months period, and yet, despite this heavy withdrawal, our Deposits for the year show the gratifying increase in total of $24,780,330, or 21.85% over last year's figures, the Savings Department receiving $15,958,008 of this gain. Commercial Discounts have also grown apace, having increased $19,680,410 during the year, indicating that the earning power of the Bank has been well maintained and that we are, to the common good, lending our full support to the agricultural and other producing industries of the country. For, it may in truth be said, this important increase is made up of advances in one way and another towards assisting *essentially productive* industries throughout the Dominion.

An issue of $1,400,000 of new stock has been made, but as the allotment was to Shareholders of record at 30th April, the matter

*Note.—For History of the Bank see *The Canadian Annual Review* Supplement for 1910 and for preceding Annual Reports and Addresses see the volumes for 1916 and 1917.

will fall for reference more appropriately at next year's meeting. Suffice it to say in the meantime that the new allotments are being satisfactorily taken up,—a large proportion, indeed, having already been paid for in full in advance of the instalment dates. Since the signing of the Armistice on the 11th November last, we have opened numerous Branches and Sub-Branches at points carefully selected during the long period (ending with the Armistice), in which all the Banks maintained a strict embargo against branch extensions. These new fields of endeavour and profit are, in practically every case, realizing our expectations and while the relative initial expense is not inconsiderable, we have every reason to believe we shall be rewarded by amply profitable results in due course.

You will, I am sure, join with your Directors in extending to the members of the staff, one and all, a word of cordial appreciation for their loyal and efficient services, to which the measure of progress the Bank has enjoyed is in no small degree attributable. During the course of the year death removed our esteemed colleague, Mr. Andrew A. Allan, and in his untimely end the Bank has suffered a heavy loss, deeply deplored by all connected with the institution. He was a man of sound judgment and high principles, whose advice was at all times as valued as he personally was esteemed and respected.

The vacant seat upon the Directorate has been filled by the appointment of Mr. Lorne C. Webster, a large shareholder in the Bank and a man of wide business experience, connected with many important commercial enterprises.

H. MONTAGU ALLAN,
President.

STATEMENT OF THE RESULT OF THE BUSINESS OF THE BANK FOR THE YEAR ENDED 30TH APRIL, 1919

The Net Profits of the year, after payment of charges, rebate on discounts, interest on deposits, and making full provision for bad and doubtful debts, have amounted to		$1,383,569.40
The balance brought forward from 30th April, 1918, was		437,973.92
Making a total of		$1,821,543.32
This has been disposed of as follows:		
Dividend No. 124, at the rate of 10 per cent. per annum	$175,000.00	
Dividend No. 125, at the rate of 10 per cent. per annum	175,000.00	
Bonus 1 per cent. paid 6th January, 1919	70,000.00	
Dividend No. 126, at the rate of 11 per cent. per annum	192,500.00	
Dividend No. 127, at the rate of 11 per cent. per annum	192,500.00	
		$ 805,000.00
Government War Tax on Note Circulation		70,000.00
Written off Bank Premises Account		300,000.00
Contribution to Officers' Pension Fund		50,000.00
Contribution to Joint Campaign, Canadian Red Cross and Navy League		15,000.00
Contribution to Y.M.C.A., Military Service Fund		7,500.00
Balance carried forward		574,043.32
		$1,821,543.32

H. MONTAGU ALLAN, *President.*
D. C. MACAROW, *General Manager.*

In moving the adoption of the Report, the President, Sir H. Montagu Allan, who was received with applause, on his first appear ance since his service overseas, gave a brief address.

Gentlemen, I would like to say that I think the results of the year's business are very satisfactory to the Board, and I am confident that the Shareholders will be of the same opinion. You all know that the past four years have been a very trying period for us all, as throughout the world. During most of that time I have been on the other side of the Atlantic, and I am very glad on my return to see that the Bank has been making such excellent progress. It has been a source of astonishment and gratification to myself to see how the deposits have kept up, notwithstanding the large withdrawals for various Government issues in connection with the war, and the great growth of business generally. It is a truly marvellous achievement and speaks convincingly of this country's inherent strength and ready adaptability to changed and changing circumstances.

I would like to take this opportunity of thanking Mr. Blackwell, the Vice-President, for the courteous and able manner in which he has performed the duties of President and presided over the annual meetings during my absence, and the efficient manner in which he has conducted the business of the Bank. You all know that this Bank, in common with all other banks, has passed through a trying and anxious period during the past few years. During that time Mr. Blackwell, with the assistance of the Board, has carried on the work in a splendid and efficient manner, and I am glad of this opportunity to voice the appreciation of the Shareholders of his services. It gives me pleasure now to move, seconded by Mr. Blackwell, the adoption of the Annual Report.

Mr. K. W. Blackwell:—I take pleasure in seconding the motion for the adoption of the Annual Report. In doing so, I would like to add a few words as to my own personal feelings on hearing such kind words from Sir Montagu Allan as to my efforts during his absence. You all know that it is an unwritten law that men will stand by their friends, especially when they are in trouble, and we all know that Sir Montagu has suffered severely by this war. It was necessary for him to stay abroad for four years, and he has suffered personal bereavements, for which I owed him deep sympathy, in which I am sure you all joined. It was only natural and proper that I should shoulder his work to the best of my ability. I have only endeavored to do my duty to my co-directors and also to the Bank. Later you will be told of the organization of The Bankers' Trust Company, and I hope every man in this room, both Directors and Shareholders, will do their utmost to support that institution, exerting their personal influence and own support, when, I am confident, it will be found a valuable source of useful business for the Bank, and also a valuable aid to those of you who put your estates in its charge. I have always felt that this Bank should have control of a Trust Company working in its interests, and I am very much pleased and gratified that we have succeeded in getting it started.

Address by Mr. D. C. Macarow, General-Manager of the Bank

In the first place I would like to express speaking on behalf of the Executive Officers of the Bank, indeed on behalf of the staff at large, our pleasure at having Sir Montague Allan again amongst us and to extend to him our most cordial welcome. In the mighty work overseas now happily satisfactorily and, let us hope, permanently concluded, Sir Montagu has, indeed, borne his share and it must be a proud thought to him, as it is a gratifying reflection to us, that in connection with that great work, his is a record of high and patriotic duty, manfully embraced and efficiently carried through. My words, Sir Montagu, but express feelings sincerely entertained. Your welcome is one of unaffected cordiality.

The moment is opportune, I am sure you will agree, and I gladly take advantage of it, to pay a tribute to the Vice-President, Mr. Blackwell, who has filled the chair throughout the President's absence with such a measure of outstanding capacity. From the rich store-house of his wide, varied and practical business experience, he has given with an unstinted hand, and it is no empty conventionality to say that the measure of progress the Bank has enjoyed during his incumbency is due in no small degree to the benefit of his sound advice and the inspiration of his constructive courage. Withal, his courteous and considerate demeanor to everyone has made his figure around the Executive Offices of the Bank as welcome as it is honoured and respected.

After the concise yet comprehensive references and explanations made by the President in his address, and report which you have just heard, any attempt on my part at amplification with respect to the outturn of the year's operations in the matter of profits and to the general financial statement would, indeed, be superfluous and time-wasting. I will, therefore, content myself by saying that I hope the situation as reflected by the figures given will be satisfactory to all and measure up in full degree to the expectations and wishes of everyone interested in the Bank's progress. Last year, you may remember, I said that you might entertain with full confidence the comfortable assurance that the whole asset column represented dollar for dollar in actual value. I take pleasure in repeating that assurance this year—and with double emphasis.

May I be permitted to add a few brief and sketchy words of a general character and interest. It is with feelings of intense relief that we now find ourselves gradually moving into peace times, leaving behind us that stressful period so darkened by the war's depressing shadows and under the dread pall of which we had become accustomed to live and to view things. But in this transition period we cannot fail to realize that with the readjustment come many difficult problems, financial and otherwise, to face and to solve. This, however, is a country of well-nigh boundless potentialities and we can, I think, whatever be the perplexities of the moment, view the ultimate future with every measure of confidence.

Of the spirit and virility of the Canadian people, we have had

abundant illustration during the past few years. That spirit has carried us through the difficulties of the war period; that spirit, I know, will enable us to meet the no less difficult and complex questions by which we are now confronted. Sanity and co-operative effort are all that are needed. Let reason reign. Reference was made last year to the paramount necessity of keeping the wheels of industry uninterruptedly moving, and to the major importance, with that end in view, of developing along broad lines our export trade, to which, indeed, we must look in large measure for the carrying and eventual liquidation of our war indebtedness. Much has been done during the twelve months in preparation for realizing upon the exportable surplus of this country's raw materials, foodstuffs and manufactures, but as the development of a broad foreign trade is not a matter of a single year or even decade, it is to be hoped that having set our hands to the task, the efforts already put forth will continue to be pushed forward with vigor and resourcefulness.

Canada's magnificent achievements during the war period have made this Dominion known the world over, presenting to us opportunities awaiting only development at our hands along far-sighted and progressive lines. In this connection it may be pertinently added that a solidly-established mercantile marine of our own is of the greatest national importance, if not, indeed, an absolute essential, if we are to succeed in any large and permanent way in world trade. That this country will in course of time have its own ships in which to carry its own products to the markets of the world is a consummation devoutly to be wished and courageously striven for.

Without in any way attempting to touch upon matters having, perhaps, a more or less political aspect, may I be permitted to draw attention to the question of Imperial Preference and to express the keen feeling of interest and appreciation which we all must experience at the mother country's first step in the development of this far-reaching and all-important policy? Imperial preference and Inter-Imperial trade arrangements will, I hope and do verily believe, be the livest kind of issues by the time we again meet for the purpose of submitting and discussing another year's business. You will be interested in knowing that according to our reports the condition of Canada's greatest industry, agriculture, is this year rich in promise, especially in the Western Provinces, where the crops have seldom, if ever before, got away to a better start.

We recently organized and put in motion The Bankers' Trust Company, which will operate to some extent as an auxiliary to the Bank. Such Companies, well managed, are excellent, both as conservers of old and creators of new business for the Bank with which they are associated, and we expect our Company, which opened its doors on the 1st of May, will prove a strong, conservative and useful ally. The want of such an affiliated Company has been felt in an increasing degree for some years past.

Just one further word as to that all-important asset which the Balance Sheet does not reveal—the staff: I cannot too strongly endorse the words of appreciation so fittingly expressed by the President, and I have no hesitation in saying that in point of loyalty and efficiency the staff of this Bank is second to none. For a long period prior to the signing of the Armistice and during demobilization thereafter, the staff of the Bank was reduced, indeed, to a veritabe "thin red line," but while numerically weak, the spirit was there in full strength and we were enabled as a result to conserve and develop our business in the notably satisfactory manner reflected by the comparative figures shown. So much for that section of the staff, who, for one reason or another, were rendered ineligible for military service. Theirs is a record which we recognize with appreciation and view with pride.

As to those who joined the colors, you will be interested in knowing that from a staff of 1,300 odd at the outbreak of war, enlistments numbered no less than 823, or roughly 63 per cent. of the whole, which must very nearly represent 100 per cent. of the eligibles. Of those splendid young men, 73 made the supreme sacrifice, 87 were wounded, some more than once, and many received high decorations for valor and efficiency. To the memory of those whose bodies sanctify the soil of France and Flanders, we can but offer the highest tribute of reverential respect. To those incapacitated through wounds and otherwise, we are gladly endeavoring to render such assistance as lies within our power.

And to those eligible for re-entering the service of the Bank, we are finding positions upon a scale of remuneration which provides against their suffering any hardship in a monetary sense by reason of having joined the colors. In other words, we are giving to each and every man the same salary as when he left, plus such increases as would have followed in the ordinary course had he remained. To put it in a word, Gentlemen, we are proud of our staff, one and all, and I am sure you will agree with me that we have every reason to be proud of them.

It was moved by the President, seconded by the Vice-President, and unanimously adopted as By-law XI.: "The Capital Stock of the Bank is hereby increased from ten million dollars to fifteen million dollars by the creation of fifty thousand new shares of the par value of one hundred dollars each." It was explained by the President that there was no intention of issuing this Capital in the near future, but that it was thought advisable to make timely provision well in advance of possible or probable requirements.

The President then said that it was a matter of common knowledge that the work of the Bank had greatly increased during the past few years, which had thrown much additional work and responsibility on the Directors, and it was proposed that provision should be made for additional remuneration to them. Mr. A. Browning then moved, seconded by Mr. John Patterson, that By-law No. VI. be amended and the remuneration of the Directors fixed at $40,000 per annum. Carried unanimously. On motion of

Mr. R. Campbell Nelles, seconded by Mr. A. Haig Sims, Messrs. John Patterson and Arthur Browning were, by unanimous vote, appointed scrutineers, and instructed to cast one ballot for the election of the following persons as Directors: Sir H. Montagu Allan, Mr. K. W. Blackwell, Mr. Thomas Long, Mr. F. Orr Lewis, Hon. C. C. Ballantyne, Mr. A. J. Dawes, Mr. F. Howard Wilson, Mr. Farquhar Robertson, Mr. Geo. L. Cains, Mr. Alfred B. Evans, Mr. E. F. Hebden, Mr. T. Ahearn, Lt.-Col. Jas. R. Moodie, Mr. Lorne C. Webster. The ballot having been cast, the Directors, as named, were declared to be elected. Sir Montagu Allan was afterwards re-elected President and Mr. K. W. Blackwell Vice-President.

The President:—"Before we adjourn I would like to say a few words. As you know, I have been overseas four years. During that time there has been a change in the General Managership of the Bank. I have not hitherto had opportunity of saying anything to the Shareholders with regard to our new General Manager. I do not wish to say too much about him because the result of his work has been so good that to express my opinion of it might be regarded as unduly flattering, and I may pertinently add that in so far as I can ascertain, he has the full support of a loyal and efficient staff. As President of the Bank, I may say that his work has given me and the Directors every satisfaction and confidence for the future of the Bank, and I am sure that you will all agree with me that in Mr. Macarow we have found a very efficient man as General Manager."

STATEMENT

OF

THE MERCHANTS BANK OF CANADA

30th APRIL, 1919

LIABILITIES

	1919	1918
1. To the Shareholders.		
Capital Stock paid in	$ 7,000,000.00	$ 7,000,000.00
Reserve Fund	7,000,000.00	7,000,000.00
Dividends declared and unpaid	194,194.00	176,900.00
Balance of Profits as per Profit and Loss Account submitted herewith	574,043.32	437,973.92
	$ 14,768,237.32	$ 14,614,873.92
2. To the Public.		
Notes of the Bank in Circulation	13,316,033.00	12,327,168.00
Deposits not bearing interest	43,552,214.61	34,886,747.83
Deposits bearing interest (including interest accrued to date of Statement)	91,904,993.37	75,946,985.48
Balances due to other Banks in Canada	2,614,696.64	1,400,941.75
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries	105,076.96	1,161,976.79
Bills payable	.....	.....
Acceptances under Letters of Credit	464,153.05	598,851.20
Liabilities not included in the foregoing	.....	.....
	$166,725,404.95	$140,937,544.97

ASSETS

Current Coin	$ 4,946,946.33	$ 4,890,061.36
Deposit in the Central Gold Reserves	7,000,000.00	6,000,000.00
Dominion Notes	8,405,602.50	5,912,092.50
Notes of other Banks	985,044.00	893,076.00
Cheques on other Banks	6,082,616.99	5,311,786.12
Balances due by other Banks in Canada	3,215.80	4,704.37
Balances due by Banks and Banking Correspondents in the United Kingdom	123,496.50	82,580.53
Balances due by Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	1,903,040.10	1,357,843.03
Dominion and Provincial Government Securities, not exceeding market value	6,005,573.65	5,435,464.66
Railway and other Bonds, Debentures and Stocks, not exceeding market value	4,119,705.32	4,060,204.70
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian	15,238,399.32	14,589,065.54
Call Loans in Canada on Bonds, Debentures and Stocks	5,134,690.71	5,223,953.88
Call Loans elsewhere than in Canada	2,801,857.72	3,906,648.93
	$ 62,750,188.94	$ 57,667,481.62
Current Loans and Discounts in Canada (less Rebate of Interest)	95,874,426.04	76,194,016.15
Current Loans and Discounts elsewhere than in Canada (less Rebate of Interest)	332,918.12	339,987.29
Liabilities of Customers under Letters of Credit as per contra	464,153.05	598,851.20
Real Estate other than bank premises	782,326.64	312,928.11
Overdue Debts, estimated loss provided for	386,973.56	272,226.60
Bank Premises at not more than cost (less amounts written off)	5,253,269.48	4,886,438.98
Deposit with the Minister for the purposes of the Circulation Fund	366,000.00	355,000.00
Other Assets not included in the foregoing	515,149.12	310,615.02
	$166,725,404.95	$140,937,544.97

H. MONTAGU ALLAN,
President.

D. C. MACAROW,
General Manager.

A PROGRESSIVE CANADIAN INSTITUTION

ANNUAL REPORT AND ADDRESSES OF THE HOME BANK OF CANADA*

The 14th Annual General Meeting of the Shareholders of The Home Bank of Canada was held at the Head Office of the Bank, 8 King Street West, Toronto, on Tuesday, the 24th of June, 1919.

Address by Mr. M. J. Haney, President of the Bank.

This is the Fourteenth Annual Meeting of the Shareholders of the Home Bank of Canada and for the first time we meet without the presence of the late Brigadier-General, the Honourable James Mason, Senator, our Honourary President, whose death occurred on July 16th last. He had filled successively the position of General Manager, President and Honourary President of this institution from its establishment as the Home Bank and had been associated with the parent institutions, the Toronto Savings Bank and the Home Savings and Loan Company, since 1865, first as junior clerk and later as Manager. Any expressions of appreciation I might here utter could only be a review of the many admirable obituary notices that appeared in the public press with the announcement of his death, in which every phase of his career was touched upon, as banker, soldier, educationalist, statesman, and public-spirited citizen. We shall find that in spite of our activities here this afternoon, his absence will be felt throughout the proceedings.

Our financial year closes on May 31st, so that for the first six months, up to the signing of the Armistice on November 11th, our operations have been during the period of the war, while the last six months have been within the so-called period of Reconstruction. On June 4th an official outline of our National War Budget was announced, which will have a marked influence on the general financial situation for the future. The Budget announcement that in March, 1920, the national Debt of Canada will be approximately six times larger than it was in 1914, when the figures stood at $335,996,850, is not to be considered on the scale of figures alone. This total of approximately two billion dollars is to be read in the light of certain qualifying circumstances. It has been stated that the indebtedness amounts to $220 per head of our population; but a more comprehensive method of division may be calculated upon

*For particulars of the 13th Annual Report see the 1917 issue of The Canadian Annual Review.

LIEUT.-COL. J. COOPER MASON. D.S.O.,
Appointed General Manager, Home Bank of Canada, in 1918.

the area of Canada, rather than upon the number of individuals making up the population, since approximately a fifth only belong to the producing class and a still smaller proportion belong to the class that are taxable for national revenue. Taking the land area of Canada at 3,603,910 square miles, we find that our national debt of two billions works down to $555 per square mile of land with its forests, farms, factories, buildings, railroads and public works and utilities thereon, and the minerals thereunder. A portion of this area is within the barren North, in territory penetrated only by the explorer and the fur trader, but this estimate, based on land area, does not include the inland marine, fisheries and 125,755 square miles of water surface, and water powers incident thereto, or the wealth of coast fisheries and shipping. Expressed in these terms, our Debt becomes a comparatively small mortgage on a large and valuable estate. And let it be further noted that this mortgage is held largely by Canadians themselves, which, as Sir Thomas White has pointed out, is a vastly different matter from having that mortgage held by any foreign monied interests. According to Budget figures, three-quarters, or $1,510,000,000, of the outstanding securities are held in Canada; approximately one-thirteenth, or $150,873,000, are held in the United States, and between a fifth and a sixth, or $362,700,000, are held in Great Britain; there will be a rebate to our credit when the final adjustment is made with the Imperial authorities.

Another favourable aspect of our increased National Debt, which marks a distinct difference between our national credit for 1913 and that for 1919, is the fact that it has been voluntarily incurred in promptly extending needed assistance to nations who were facing the most threatening danger that ever assailed their liberty and existence in the course of all recorded history. Our National Debt of three hundred and thirty-six millions, as budgeted for March, 1914, five months before the declaration of war by Great Britain, was unsympathetically our own. It had accumulated in the ordering of our internal economy and associated us with no prospect of development in foreign trade and intercourse. Our larger debt as it stands to-day is our contribution to the cause of democracy and it is sympathetically shared by the vast multitude of humanity of about six hundred million of the peoples of the Allied Nations.

The work of Reconstruction has begun in Europe, but the task in Canada still remains one of development and initiative, and this work will be inconveniently handicapped if any undercurrent of pessimism should become inspired through a popular misunderstanding of our national finances, or a too narrow reading of the figures of our national bookkeeping. In 1913 statistics were circulated from a foreign source to show that Canada was then financially in a most unenviable position. Within seven months from the date these adverse figures were given currency we had declared for active participation in the European War and disproved all

economic deductions by commencing the raising and equipping and sending overseas of an army of 475,754 men out of a total enlistment of 595,441. In the year 1918, 103 steel and wooden vessels were built in Canadian shipyards. To the end of December, 1918, we had exported $1,002,672,413 worth of munitions. While prosecuting the war we carried on our agricultural, mining and industrial operations with increased activity; maintained all public service departments of our Government and largely financed the expenses of this vast program from our own wealth. Nevertheless, we still have to contend with statisticians who, in the present situation, persist in measuring Canada with a yard stick.

For the future—I believe that there is very little ground for the apprehension dwelling in the minds of some of our Canadian people. To me it is plain in what direction our duty lies. We require to stimulate desirable immigration, to cultivate our unoccupied arable lands and produce freight loads for our transportation systems. Shipbuilding must be correspondingly increased to carry on the exportation of our produce. A close co-operation between the departments of the Government in finance and tariff regulation, labour and capital, agriculture, commerce and transportation, will make operative in complete confidence the national program we have in hand for the development of our wealth and resources.

Turning to the affairs of our institution and the matters we are met here to-day to discuss, we are pleased to lay before you a report which, thanks to the energy and abilities of our staff, heralds a banner year for The Home Bank of Canada and its continued proper participation in the growth and development of the country. A comparison of our assets comprehensively illustrates our progress during the past ten years:—

	1909.	1914.	1919.
Total Assets	$7,917,183.79	$13,682,054.21	$28,635,924.89

And the gain shown may be summed up in the word—Service.

Address by Lieut.-Col. J. Cooper Mason, D.S.O., General Manager of the Bank.

The Fourteenth Annual Statement of The Home Bank of Canada for the fiscal year ending May 31st, 1919, shows substantial gains made during the year. Our position with regard to actual cash assets is the strongest in the history of the Bank, representing approximately 22% of our total liabilities to the public and our liquid assets amount to over 57% of said liabilities. Our deposits have increased over three and a half millions since May 31, 1918, notwithstanding the fact that 9,508 of our depositors subscribed over $4,900,000 to the last Dominion Victory Loan, and when you consider the previous War Loans floated at a consequent loss to our savings and other deposits, the increase we show of over $10,000,000 since the outbreak of the war, an increase of over 105%, reflects the increased patronage extended this bank by the public in both savings and general commercial lines. None of these figures include deposits of the Dominion Government, Dur-

ing the past year the assets have increased from $23,675,773.68 to $28,635,924.89.

Our net earnings for the fiscal year just closed are fractionally larger than for the previous year, being 10.63% of our Paid-up Capital and Reserve Fund. The Management has recognized that the popularity and success of a Bank depends in a large measure upon the service it extends in every department of banking, not only to regular customers, but to every patron whom chance, or the desire for initial dealings, brings to any of our offices. During the war, when branch offices were required to handle an increase of detail with reduced staffs, the extension of service was generally maintained. Since our overseas men have been returning to their posts, it has become possible to give more particular attention to this feature of service in banking and the very satisfactory results are noticeable from the closer co-operation between the bank and its clients. In this connection, it may be observed that the misgivings expressed in some quarters that returned men would find it difficult to immediately resume their accustomed places in civilian life, has been entirely disproved in the case of those returning to the Home Bank's service. They have taken up their former posts with enthusiasm and have, in every instance, shown a broadening of aim and character that marks them for higher functions in the sphere of banking. It is worthy of note that many of these men were decorated for gallant and distinguished service while overseas.

The several issues of Government Bonds on the market has brought about an increased activity in this form of security and the requirements of our customers suggested the advisability of establishing a department for service in buying, selling and exchanging Bonds. Accordingly, a Bond Department was recently opened, under the management of an experienced and able man. This Department has already proven profitable and has enabled our customers at outside branches who desire to buy or sell Government, War Loan, Victory, or other Bonds, to secure the most satisfactory results in these transactions. This Department already gives promise of considerable expansion.

The following gentlemen were elected Directors for the ensuing year:—C. A. Barnard, K.C.; H. J. Daly, R. P. Gough, M. J. Haney, C.E.; Hon. A. Claude Macdonell, K.C.; J. Ambrose O'Brien; F. J. B. Russil; Lt.-Col. Clarence F. Smith; S. Casey Wood. Afterwards Mr. M. J. Haney was re-elected President and Mr. R. P. Gough Vice-President.

STATEMENT OF THE RESULT OF THE BUSINESS OF THE BANK FOR THE YEAR ENDING 31st MAY, 1919.

PROFIT AND LOSS ACCOUNT.

Cr.	
Balance Profit and Loss Account, May 31st, 1918	$150,731.11
Net Profits for the year after deducting charges of management, interest due depositors, payment of all Provincial and Municipal taxes, and rebate of interest on unmatured bills	238,753.88
	$389,484.99

CAPITAL PROFIT ACCOUNT.

Premium on Capital Stock received during the year		90.57
		$389,575.56
Which has been appropriated as follows:—		
Dr.		
Dividend No. 47 (quarterly) at the rate of 5% per annum	$24,342.93	
Dividend No. 48 (quarterly) at the rate of 5% per annum	24,343.32	
Dividend No. 49 (quarterly) at the rate of 5% per annum	24,345.23	
Dividend No. 50 (quarterly) at the rate of 5% per annum	24,346.57	
		97,378.05
Government Tax on Note Circulation		19,348.53
Written off Bank Premises Account		10,000.00
Donations to Patriotic and Other War Funds		4,500.00
Transferred to Rest Account		100,000.00
Balance carried forward		158,348.98
		$389,575.56

GENERAL STATEMENT, 31st MAY, 1919

LIABILITIES

To the Public—

Notes of the Bank in circulation	$ 1,980,175.00
Deposits not bearing interest	5,009,205.40
Deposits bearing interest, including interest accrued to date of Statement	14,463,863.46
Deposits by and balances due to Dominion Government	4,175,761.63
Balances due to other Banks in Canada	7,948.00
Balances due to Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	466,656.16
	$26,103,609.65

To the Shareholders—

Capital (subscribed, $2,000,000) paid up	$1,947,705.20	
Rest Account	400,000.00	
Dividends unclaimed	1,914.49	
Dividend No. 50 (quarterly), being at the rate of 5% per annum, payable June 2, 1919	24,346.57	
Balance of Profit and Loss Account	158,348.98	
		2,532,315.24
		$28,635,924.89

ASSETS.

Gold and other current coin	$ 138,200.84	
Dominion Government notes	3,510,134.50	
		$3,648,335.34
Deposit with the Minister of Finance as security for note circulation		105,000.00
Notes of other Banks		240,463.75
Cheques on other Banks		838,200.76
Balances due by other Banks in Canada		14,519.53
Due from Banks and Banking Correspondents in the United Kingdom		105,937.11
Balances due by Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom		752,818.28
Dominion and Provincial Government Securities not exceeding market value		2,757,866.46
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian		2,416,266.62
Railway and other Bonds, Debentures and Stocks, not exceeding market value		950,058.48
Call and Short (not exceeding 30 days) Loans in Canada on Bonds, Debentures and Stocks		3,092,826.79
Other Current Loans and Discounts in Canada, less rebate of interest	$12,393,795.14	
Other Loans and Discounts elsewhere than in Canada.	25,910.00	
Loans to Cities, Towns, Municipalities and School Districts	140,011.88	
Overdue debts	34,355.54	
Real Estate other than Bank Premises	84,721.87	
Mortgages on Real Estate sold by the Bank	75,475.97	
Bank Premises at not more than cost, less amounts written off	899,443.72	
Other assets not included under the foregoing	59,917.65	
		13,713,631.77
		$28,635,924.89

M. J. HANEY,
President.

J. COOPER MASON,
General Manager.

A GREAT INSURANCE COMPANY

ANNUAL REPORT* AND STATEMENTS

OF

THE SUN LIFE ASSURANCE COMPANY OF CANADA

Report of the 48th Annual Meeting

The Annual Meeting of Policyholders and Shareholders took place in the Company's Head Office Building on Tuesday, March 4th, 1919, at 2.30 o'clock p.m. The President, Mr. T. B. Macaulay, occupied the chair.

In moving the adoption of the Directors' Report for the year 1918, the President congratulated the policyholders and shareholders upon the splendid results achieved. The year had been one of great stress to all life assurance companies owing to the continued effects of the war and the influenza epidemic. The need of life assurance was felt by all classes now, as never before. He expressed pride in the fact that the Company had been privileged during the year to fulfill to a greater extent than ever previously the beneficent mission for which it was founded. After pointing out that for the first time in the Company's history its new paid-for business for the year amounted to over Fifty Million Dollars, Mr. Macaulay directed attention to the splendid financial condition of the Company, with Assets of $97,620,378.85 and net undivided Surplus of $8,027,378.55.

The President paid feeling tribute to the memory of the late Mr. Geo. E. Drummond, whose recent death had deprived the Company of the services of one of its most warmly esteemed Directors. Mr. S. H. Ewing, Vice-President, seconded the motion for the adoption of the Report, which was carried unanimously. A number of the Directors present spoke briefly, emphasizing the strength of the financial position of the Company, and the remarkable progress it had made. The retiring members of the Board were unanimously re-elected, and Mr. Robert Adair was elected, also unanimously, to the Directorship rendered vacant by the death of the late Mr. Drummond.

Directors' Annual Report for the year 1918.

The Directors feel that this, their Forty-eighth Annual Report will be of more than ordinary interest to the policyholders and shareholders. The year just past has been one of great stress on the life assurance companies of the world, due to the heavy losses resulting from the war and the recent epidemic of influenza. While this has placed on the companies a strain of more than usual

*Preceding Annual Reports may be consulted in the 1911-17 Volumes of *The Canadian Annual Review*; a History of the Company will be found in the Supplement for 1910.

severity, the great outstanding result has been to bring into clearer light the soundness of the foundation on which life assurance is based, and to give to the public an enhanced confidence in the companies and a higher appreciation of the beneficent effects resulting to the community from the wide-spread operations of the business.

For the first time in the history of the Company the amount of new policies issued and paid for exceeds fifty millions of dollars, the actual figures being 23,055 policies for $51,591,392.04. This is an increase of $3,779,824.56 over the figures for 1917, the best previous record in the history of the Company.

After deducting cancellations from deaths, maturities, surrenders, and all other causes, the assurances in force now stand at $340,809,656.13, being an increase of $28,938,710.42 during the twelve months. This large net gain gives evidence to the high quality of the new business coming to the Company and the value of the methods employed to conserve the business when once on the books. In the item of income, all previous records were outdistanced, and the total, $21,651,099.69, shows an increase of $2,362,102.01 over the preceding year.

The amount paid to policyholders and their beneficiaries under death claims, endowments, etc., reached the very large sum of $9,768,564.28, being an increase of $928,318.86 over the amount similarly paid in 1917, which in itself was also a large increase over the year previous. The total claims due to the war amount to $2,507,578, of which $797,509 fell in during 1918. The recent influenza epidemic has, in addition, called for payments of $1,016,242, up to the end of the year. From the standpoint of the Company these are unfavourable features, but from the standpoint of the public they mean that in these times when death has invaded so large a proportion of the families of the land, the Company has sheltered and helped an increased number of widows and orphans of its policyholders, thus fulfilling its beneficent mission to a greater extent than ever previously.

The assets now amount to $97,620,378.85, an addition of $7,460,-204.61. Profits to the amount of $1,546,607.16 have been distributed to our policyholders, and there remains an undivided net surplus over all liabilities and capital stock of $8,027,378.55. The Directors consider that the abnormally heavy demands which have fallen on the Company in common with all other offices, and the uncertainty of the immediate future, call for continued conservatism and caution in the matter of dividing profits, and in this view we feel sure our policyholders will heartily concur.

It has been the policy of the management since the outbreak of the war to use the Company's funds to assist the Government by purchasing war bonds to the utmost degree possible, and our policyholders can have the satisfaction of knowing that their Company has been able to take a leading part in the flotation of the last Victory Loan, as it has done with all the preceding war issues. Your Directors have to record, with profound sorrow, the recent sudden death of their deeply esteemed colleague, Mr. George E. Drummond.

As the embodiment of high unselfish friendship and whole-souled devotion to public interests, he had few equals, and will long be remembered. The staff is now comfortably settled in our new Head Office building, which has admirably fulfilled the expectations entertained for it.

T. B. MACAULAY, *President.* FREDERICK G. COPE, *Secretary.* S. H. EWING, *Vice-President.*

DIRECTORS AND OFFICERS.

T. B. MACAULAY, F.I.A., F.A.S. - President and Managing Director
S. H. EWING - Vice-President

ROBERT ADAIR
W. M. BIRKS
HON. RAOUL DANDURAND.
J. REDPATH DOUGALL
SIR HERBERT S. HOLT
CHARLES R. HOSMER
ABNER KINGMAN
H. R. MACAULAY, M.D.
JOHN MCKERGOW
JNO. W. ROSS

Actuary: ARTHUR B. WOOD, F.I.A., F.A.S
Secretary: FREDERICK G. COPE.

Treasurer: E. A. MACNUTT.
General Manager of Agencies: JAMES C. TORY.
Comptroller: H. WARREN K. HALE.

Consulting Medical Referee: W. F. HAMILTON, M.D.
Medical Officer: C. C. BIRCHARD, M.B.

Asst. Secretary: C. S. V. BRANCH
Supt. of Foreign Agencies: W. A. HIGINBOTHAM
Supt. of Home Agencies: JAMES W. SIMPSON

ASSETS

(The market values given are those fixed by the Dominion Government Insurance Department.)

Bonds—Government, Municipal, Railway, Gas, Electric and other bonds:		
Par Value	$70,019,956.23	
Ledger Value	58,057,408.13	
Market Value	57,170,311.48	
Carried out at Market Value		$57,170,311.48
Stocks—Preferred and Guaranteed Stocks:		
Par Value	$11,822,593.75	
Ledger Value	10,086,935.20	
Market Value	9,052,533.81	
Carried out at Market Value		9,052,533.81
Other Stocks:		
Par Value	$2,404,100.00	
Ledger Value	1,814,998.09	
Market Value	2,138,753.00	
Carried out at Market Value		2,138,753.00
Loans on Real Estate, first mortgage		7,754,700.94
Real Estate, including Company's buildings		4,822,899.65
Loans on Company's policies (secured by reserves on same)		12,047,091.93
Premiums reported under Soldiers' and Sailors' Civil Relief Act (U.S.)		365.80
Loans on bonds and stocks		816,510.32
Cash in banks and on hand		626,719.94
Outstanding premiums (net)	$1,430,012.80	
Deferred premiums (net)	503,893.11	
		1,933,905.91
(These items are secured by reserves included in liabilities.)		
Interest due (largely since paid)		283,594.12
Interest accrued		960,208.11
Rents due and accrued		12,783.84
Net Assets		$97,620,378.85

LIABILITIES.

Reserves on Life Policies according to the British Offices Om. (5) Table with 3½ per cent. interest on policies issued prior to December 31st, 1902, and 3 per cent. on policies issued since that date (Federal Life policies 3½ per cent.)	$70,470,453.32	
Reserves on Annuities according to the British Offices Select Annuity Tables with 3½ per cent. interest	14,096,661.30	
	$84,567,114.62	
Less Reserves on policies re-assured	210,080.47	
		$84,357,034.15
Death Claims reported but not proved, or awaiting discharge		2,186,649.60
Extra Reserve for unreported death claims		250,000.00
Present value of Death Claims payable by instalments		565,391.65
Matured Endowments awaiting discharge		366,430.54
Annuity Claims awaiting discharge		69,418.79
Dividends to policyholders awaiting discharge		273,867.08
Profits allotted to Deferred Dividend Policies, issued on or after January 1st, 1911		90,933.28
Accumulated Credits on compound interest policies		52,609.25
Premiums paid in advance		34,280.01
Sinking Fund deposited for maturing debentures, etc.		432,862.55
Commissions, medical fees, taxes, etc., due or accrued		402,081.53
Shareholders' account, including dividends due 1st January, 1919		36,441.87
Total Liabilities		$89,118,000.30
Cash Surplus to policyholders by the Company's standard, as above		8,502,378.55
(Including $428,982.20 payable during first three months of 1919.)		
Capital subscribed, $1,000,000; paid up	$ 475,000.00	
Net Surplus over all Liabilities and capital stock	8,027,378.55	
Net Surplus over all Liabilities, except capital stock	$8,502,378.55	
		$97,620,378.85

The net surplus over all liabilities and capital stock according to the Dominion Government Standard is $9,013,816.05.

AN IMPORTANT FINANCIAL INSTITUTION

THE TORONTO GENERAL TRUSTS CORPORATION

PROCEEDINGS OF THE

37th ANNUAL GENERAL MEETING

Directors' Report to the Shareholders at Meeting in Toronto on Feb. 5, 1919.

Your Directors have pleasure in submitting the Thirty-Seventh Annual Report of the Corporation, together with the usual statements showing its operations for the year ended the 31st of December, 1918. The gross profits for the year, after providing for all ascertained or anticipated losses, amount to $654,130.64. The administration expenses, including salaries, Directors' and Auditors' fees, advertising, rent, etc., amount to $332,161.62. This you will observe makes our net profits for the year $321,969.02. To this amount must be added $101,443.11 brought forward on the 1st of January, 1918, making a total of $423,412.13, which has been dealt with by your Directors as follows:—

To payment of four quarterly dividends at the rate of ten per cent. per annum	$150,000.00	
To payment to the Shareholders of one per cent. bonus on the paid-up Capital Stock of the Corporation	15,000.00	
		$165,000.00
To amounts subscribed to Canadian Patriotic and other War Relief Funds		13,000.00
To amount provided for 1918 Federal Income Tax payable in 1919		12,000.00
To amount written off Head Office Building and Safe Deposit Vaults		30,600.00
To amount transferred to Reserve Fund (increasing this Fund to $2,000,000)		50,000.00
To balance carried forward to credit of Profit and Loss		152,812.13
		$423,412.13

The Assets and Liabilities' Statement shows an increase of assets over the preceding year of $7,545,847.11, making the total volume of assets now in the hands of the Corporation $90,832,629.80.

The subscriptions to the Canadian Patriotic and other Funds which the Board of Directors have made on your behalf, will be submitted for confirmation at the Annual Meeting.

All which is respectfully submitted.

A. D. LANGMUIR,
General Manager.

FEATHERSTON OSLER,
President.

Address by the Hon. Featherston Osler, K.C., D.C.L., President of the Corporation.

The Directors have pleasure in submitting their Annual Report and Financial Statement for the year ended 31st December, 1918. This report—the 37th which successive Boards of Directors have laid before their Shareholders—records, like its predecessors, the continued growth and prosperity of the Corporation and the favor with which it is regarded by the public. It is hardly necessary for me to enlarge upon this, as the facts and figures set forth in the statement speak for themselves. The volume of business taken care of has very substantially increased, while out of the net profits of the year, amounting to $321,969.02, after providing a reasonable return to the Shareholders upon their investment, and for the other payments and charges which appear in the statement, the sum of $50,000.00 has been added to the Reserve Fund, which now stands at $2,000,000, and a balance is carried forward to the Credit of Profit and Loss of $152,812.13.

The great war 1914-18—the greatest and most destructive of life and property in the world's history—has now, so far as it depended upon the arms of Great Britain, her Dominions and Allies, been brought to that victorious conclusion of which we never doubted, and the only results to which we look forward with anxiety are those which may flow from the action of the Peace Conference, and which it is useless here to anticipate. We have, it is true, as a Dominion incurred an enormous national debt obligation in maintaining the splendid part taken by us in the war, and we have assumed great moral and material obligations for the future, but these we shall rise to meet in the same spirit in which we incurred them, and, inheriting such a country as ours, we may meet that future with a confident hope, and take such part as falls to our lot in solving the questions relating to the welfare of the world. These are matters of extensive view, but I may be pardoned for alluding to them at such a time as this if it helps to emphasize the fact that it is only by each of us doing his own part that the great whole can be accomplished. Some one may ask, What has this to do with a Financial Corporation? I think, a great deal. Such Corporations are part of the business life of the community and their success or failure means much. Every Shareholder in such a concern ought to feel himself interested in it far beyond the mere pecuniary return it makes to him, and should do what lies in his immediate power to manifest his confidence in it by using it in one or more of its various activities. These I need not again particularize, for they have often been brought to your notice, and if our Shareholders will only bear it in mind, the Corporation need have no anxiety for the future.

Address by Mr. A. D. Langmuir, General Manager of the Corporation.

It is proper that I should preface any remarks which I have to make on this the occasion of the Corporation's 37th Annual Meeting of Shareholders, by expressing our gratification and deep thankfulness that the war which has engrossed so entirely the energies of the whole world has been brought to a victorious end. It is to be hoped that the great principles underlying the ideals which are under consideration for the reconstruction of the world will make worth while the great sacrifices which this terrible war has entailed on humanity, and that the terms and conditions of settlement to be arranged at the present Conference will bring about such an understanding as will prevent future wars, as well as provide a basis for the improvement of the Social, Industrial and Financial conditions the world over.

We, as Canadians, cannot but feel proud that our country recognized so instantaneously the duties which devolved upon us to supply men, money and munitions, so eminently necessary to the successful issue of the conflict, the result of which efforts has placed Canada before the world in a position that can never be forgotten. We desire to place on record our admiration of those members of our staff who so promptly responded to the Empire's call, four of whom have been called upon to make the great sacrifice by giving up their lives for their country. The positions which our men who have survived the war held with the Corporation have been kept open, and all of them who desire to come back into the service of the Corporation will be welcome to do so.

The most gratifying result of the year's business is the increased volume of new Estate work which has been entrusted to the Corporation for care and management, amounting to the sum of $12,737,-961.97, the largest amount received in, any single year in the history of the Corporation, and being an increase over that of the preceding year of $2,647,314.00.

Although the opportunity has been taken on previous occasions, when presenting the Annual Report, of emphasizing the fact that the charges or remuneration of The Trusts Corporation for acting as Executor and Trustee are only the usual allowances granted by the Courts to individuals acting in the same capacity, it will not be out of place to again refer to the matter at the present time. The character of the assets comprising an estate coming into the possession of an Executor, Administrator or Trustee for administration and management, combined with the size of the estate, must of necessity be to a large extent the determining factor in fixing the rate of compensation. Some estates comprised of Stocks and Bonds, Life Insurance Policies, etc., entail a minimum of trouble, whereas other estates having going businesses to be disposed of, Real Estate, Mortgages, etc., require a greater degree of time and attention, consequently entitling the Company to be remunerated in proportion to the responsibility and work assumed. All, however, receive

expert attention in the various departments provided for that purpose; notwithstanding these facts, Trust Companies are one of the few businesses, indeed, I might say the only one, the charges for whose services have not been increased in recent years, although the cost of operation has increased in the same manner as in all other businesses, owing to increased salaries, war bonuses, largely increased taxation, increased cost of money, in fact all the thousand and one items of expense that are incident to the management of such an Institution as ours.

In considering this matter and the volume of Estates business in the hands of the Corporation, it will, no doubt, be of interest to you, as well as to the public, to ascertain just what remuneration the Corporation receives from year to year through its administration of this great body of Trust and Agency assets. In order, therefore, that you may have a fair statement of the case, I shall go back for a period of three years, and show the percentage of gross income or remuneration the Corporation has received from the total volume of Trust and Agency assets under its control from year to year, and the percentage that this remuneration bears to the assets in hand, and for this purpose we shall treat the assets which were on hand at the beginning of each year, rather than the increased amount at which our Trust business stood at the end of the year:—

	Trust and Agency Assets	Remuneration Received	Percentage of Remuneration to Assets
1916	$58,740,311.78	$226,900.06	2/5 of 1%
1917	64,692,318.60	232,985.84	3/8 of 1%
1918	70,721,368.67	255,619.08	3/8 of 1%

This remuneration, of course, includes the Corporation's commission for receiving and disbursing the income, as well as for the care and management of the Capital and realization and investment of same. It must, therefore, be obvious that the margin of net profits in connection with the administration of estates is so narrow that it is only in the volume of business that a Trust Company can hope to make any profit whatever in this department of the Corporation's business. You will have observed in the statement of the Corporation's Assets, that the total volume of Trust and Agency business of which the Corporation is Custodian, amounts to the sum of $78,887,301.48. This large volume of assets is represented by the following investments and securities:—

INVESTMENTS MADE BY THE CORPORATION

Dominion Government and Provincial Bonds	$3,690,697.59	
Municipal Debentures	5,406,356.84	
Mortgages on Real Estate	13,705,260.26	
Stocks and Bonds	1,128,988.81	
Loans on Debentures, Stocks and Bonds	833,843.19	
Cash on Hand and in Banks	1,014,234.39	
		$25,779,381.08

ORIGINAL ASSETS OF ESTATES

Real Estate	$13,495,127.98	
Debentures, Stocks and Bonds	30,419,349.15	
Mortgages	6,157,414.14	
Miscellaneous Assets	3,036,029.13	
		$53,107,920.40

The effect of four and a half years of war and its bearing on the interests of Trust Companies is reflected perhaps more in the Investment side of our operations than in other departments. High rates of interest offered by Dominion and Provincial Governments on their securities, and by Municipalities on their debentures, have for the time being restricted the flow of funds received for investment by the Corporation on its Guaranteed Plan with a consequent reduction of the amount of funds available for this account. It has been very difficult for Trust Companies to compete with these high rates, as not only the cost of administering such funds has considerably increased, but the rates of interest obtainable on Western mortgages, in which a large proportion of Guaranteed Funds are invested, have shown a downward tendency, besides a great decrease in the demand for such loans during the war. This condition, however, we believe, can only be of a temporary character, and we confidently expect, now that the war has ended, to see normal conditions again assert themselves, and with that, an increase in funds for investment on Guaranteed account.

On the other side, the demand for mortgage loans, by reason of the almost entire suspension of building operations during the war period, and the falling off of immigration, has been greatly reduced. Maturing mortgages in Ontario have, as a general rule, been renewed at the increased current rates of interest, although in the Western Provinces, for the reason, no doubt, of the excellent profits realized by the farmers for their produce, very substantial reductions have been made on account of the principal of their loans. In consequence of these conditions, although a considerable amount of mortgage investments have been obtained, the larger portion of our Trust funds have been invested in the past year in Dominion of Canada, Provincial Bonds, and Municipal Debentures. To better understand the change effected in the investments negotiated by the Corporation since the outbreak of war in 1914, the following comparison will be of interest:—

Percentage of mortgage investments to total amount invested 1914, 77%.

Percentage of mortgage investments to total amount invested 1918, 65%.

Percentage of Bonds and Debentures to total investments 1914 23%.

Percentage of Bonds and Debentures to total investments 1918, 35%.

With regard to our mortgage investments, I am pleased to say that the interest and instalments of principal have been met in a

most satisfactory manner. Our investments in this class of security in the Province of Ontario aggregate $15,928,156.15, and 97.97% of the total interest which matured during the year, including arrears brought forward from the preceding year, has been collected. The average rate of interest on these mortgage investments is 6.39%, being a small increase over that of the preceding year. It will be of interest to the Shareholders and our clients to learn that the average interest rate on our mortgage investments in Ontario has increased from 5.34% in 1910 to 6.03% in 1914, and to 6.39% in 1918, or an increase over 1910 of 1.05%.

Respecting our mortgage investments in the Western Provinces of Manitoba, Saskatchewan and Alberta amounting to $6,336,-468.36, 80% of the interest charged during the year, including arrears brought forward from 1917, has been received. The average rate of interest on Western mortgages for 1918 was 7.70%. A most satisfactory number of compartments have been leased during the year in our Safe Deposit Vaults both at the Head Office and at Ottawa, so much so that additional nests of compartments have been added in both vaults, in order to keep pace with the demand. Undoubtedly this increased business is largely accounted for by the great number of people who have subscribed for Victory Bonds, and who now require a safe depository for these securities and other valuable papers. A very considerable amount of literature giving details and particulars with regard to our building and vault construction has been distributed, and we are looking for a large increase in connection with our Safe Deposit Vault business during the next few years.

STATEMENT FOR YEAR ENDED 31ST DECEMBER, 1918.

ASSETS.

Capital Account—			
Mortgages on Real Estate		$1,983,946.91	
Government and Municipal Debentures		604,881.67	
Loans on Debentures, Stocks and Bonds		83,006.43	
Loans or Advances to Trust Estates and Guaranteed Mortgage Accounts under Administration by the Corporation		278,350.00	
Real Estate—			
Office Premises and Safe Deposit Vaults at Toronto and Ottawa.	$750,000.00		
Accrued Rents *re* Offices and Vaults at Toronto and Ottawa	5,860.36		
		755,860.36	
Cash on hand and in Banks		53,398.98	
			$3,759,444.35
Guaranteed Account—			
Mortgages on Real Estate		$6,969,135.02	
Government and Municipal Debentures		1,100,491.34	
Loans on Debentures, Stocks and Bonds		10,690.00	
Cash on hand and in Banks		105,567.61	
			8,185,883.97
Estates, Trusts and Agencies—			
Mortgages on Real Estate		$13,705,260.26	
Government and Municipal Debentures		9,097,054.43	
Stocks and Bonds		1,128,988.81	
Loans on Debentures, Stocks and Bonds		833,843.19	
Cash on hand and in Banks		1,014,234.39	
		$25,779,381.08	
Original Assets, including Real Estate, Mortgages, Debentures, Stocks and Bonds, etc., at Inventory Value		53,107,920.40	
			78,887,301.48
			$90,832,629.80

LIABILITIES.

Capital Account—			
Capital Stock	$1,500,000.00		
Reserve Fund	2,000,000.00		
		$3,500,000.00	
Dividend No. 90 due January 2nd, 1919	$37,500.00		
Bonus of One per cent. payable January 2nd, 1919	15,000.00		
		52,500.00	
Interest in Reserve		35,000.00	
Appropriation for Federal Income Tax and Sundry Accounts		19,132.22	
Profit and Loss		152,812.13	
			$3,759,444.35
Guaranteed Account—			
Guaranteed Funds for Investment		$8,185,883.97	
			8,185,883.97
Estates, Trusts and Agencies—			
Trust Funds for Investment or Distribution		$25,779,381.08	
Inventory Value of Original Assets of Estates and Agencies under Administration by the Corporation		53,107,920.40	
			78,887,301.48
			$90,832,629.80

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Its bush relieves the monotony of the scene, protects from storm and wind, furnishes timber for the settler's dwelling and fuel for his winter need, as well as a source of income; large rivers and lakes and many lakelets water the land and offer fine inducements to stock raising and dairy farming.

Thousands of miles of colonization roads and steam railways are spreading like a spider's web over that vast new land. A settler can ride from the big cities of Ontario or the West in a Pullman if he wishes almost to his own door. This is something new in pioneer life.

Southern Ontario people should think of this great opportunity lying right at their own door, with its farming sections peopled mostly by their kindred or their own race.

And intending settlers from the British Isles should consider that North Bay (the eastern entrance to it) is only 350 miles from Montreal, whereas Winnipeg is 1,420 miles, Regina 1,771, and Calgary 2,251.

This rich agricultural land may be had by returned soldiers and sailors in 160-acre blocks free; to others 18 years and over 50c. per acre.

Our literature descriptive of this great country may be had free on application.

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Write H. A. MACDONELL,
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Deposits (June 30, 1919) - - -	*205,000,000*

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Joint General Managers—R. S. Hudson, John Massey

Assistant General Manager—George H. Smith

Paid-up Capital	**$ 6,000,000.00**
Reserve Fund (Earned)	**5,500,000.00**
Investments	**31,461,387.24**

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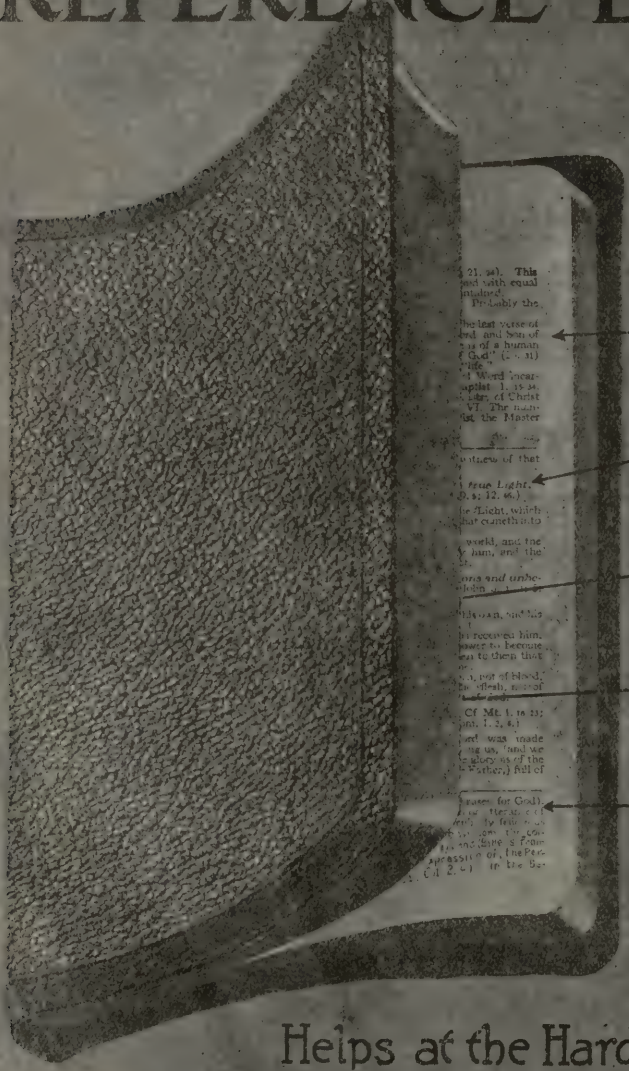

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" (subscribed) -	2,500,000
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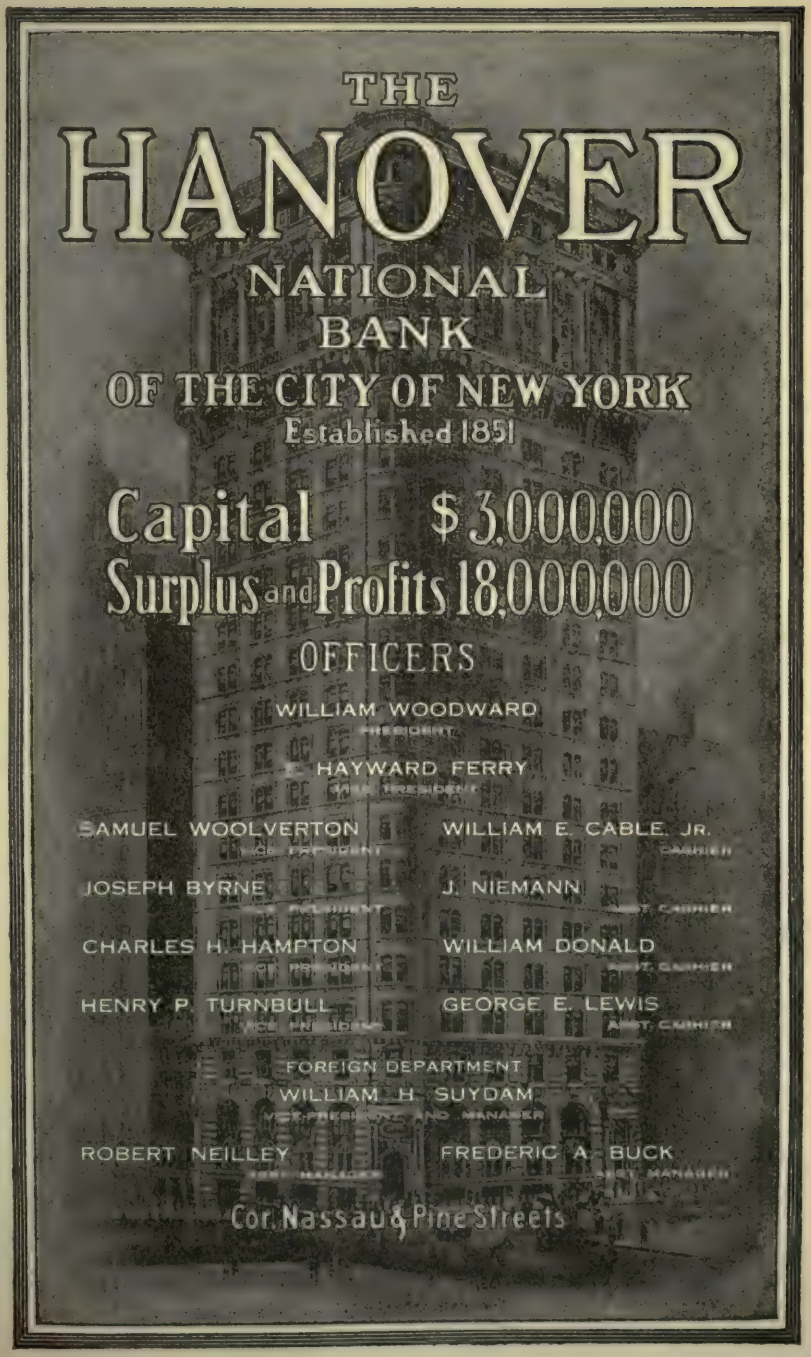
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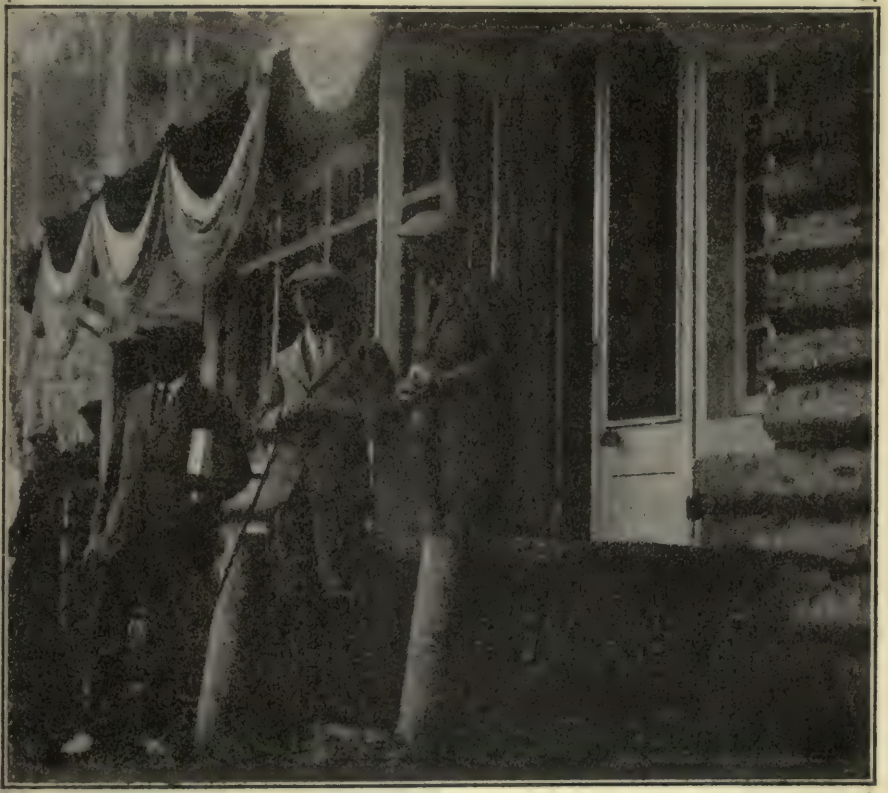

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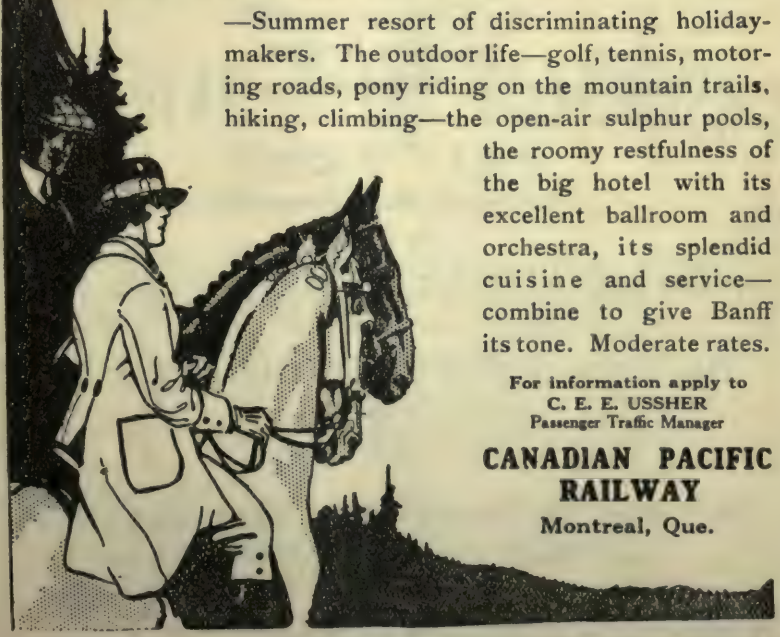

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